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Austria	Sch24	Indonesia	Rp3100	Philippines	Peo45
Bahrain	Din0.700	Iran	Rls210	Poland	Zl 9,000
Belgium	BFr55	Israel	Shk3.50	Portugal	Es150
Cyprus	C£0.90	Italy	L2000	Qatar	QR8.00
Denmark	DKr12.00	Jordan	Fils1000	S.Arabia	SR7.00
Egypt	E£3.25	Kuwait	Fils.500	Singapore	S$4.10
Finland	FM8.60	Lebanon	L£400.00	Spain	Pta165
France	FFr7.50	Lux	LFr55	Sweden	SKr12
Germany	DM2.80	Malaysia	M$4.25	Switz	SFr2.50
Greece	Dr160	Morocco	MDh9.00	Thailand	Bt50
Hong Kong	HK$12	Neth	Fl 3.25	Tunisia	Din0.800
Hungary	Ft107	Nigeria	Naira10	Turkey	L1400
Iceland	IKr160	Norway	NKr12.00	UAE	Dh7.00
India	Rs15	Oman	OR1		

US BUDGET

The bottom line for Bush

Page 26

World News

Soviets warn of civil war as Kirghizia toll rises

The Soviet republic of Kirghizia declared a state of emergency in its capital, Frunze, as beleaguered authorities tried to stop an orgy of inter-ethnic killings and warned of near-civil war in the region.

The Soviet Union said the toll of rioting in the Kirghiz town of Osh had risen to 48 dead and 333 injured amid fears that the Kirghiz fighting could burst into conflict between republics. Page 28

PLO talks attacked

Yitzhak Shamir, the Likud Party leader, has attacked suggestions by Israel's Labour politicians that the US should maintain dialogue with the Palestine Liberation Organisation, despite its abortive guerrilla raid last week. Page 6

Bonn-Berlin rift

The East and West German governments, both led by Christian Democrats, are facing their most serious clash so far over property ownership claims by West German citizens in East Germany. Page 3

Trump cuts 350 jobs

Donald Trump, the controversial and debt-laden property mogul, is cutting 350 jobs at his $1.3bn Taj Mahal casino-hotel in Atlantic City. Page 7

Campaign nears end

Bulgaria's election campaign reached its climax when tens of thousands of people turned out in Sofia for rallies by the ruling Socialist Party and the Union of Democratic Forces, its main rival. Page 2

Tanker runs aground

An oil tanker ran aground in a waterway between New York and New Jersey, spilling about 200,000 gallons of oil into the busy shipping channel.

Thousands may die

Thousands of Ethiopians could starve to death unless supplies are urgently airlifted to the northern city of Asmara, where a million Ethiopians are without food, a senior relief official said. Fighting goes on. Page 6

Bank gets go ahead

A small bank called Leonard SA, created by 10 private businessmen, has become the first fully private financial institution to be licensed under Poland's market-oriented economic reforms.

Korean students riot

About 2000 students armed with firebombs and rocks fought with South Korean riot police in protests denouncing President Roh Tae-woo's policy of improving relations with the eastern bloc. Moscow pledges loyalty. Page 6

Solidarity rift widens

The split in Solidarity over Lech Walesa's attempt to become the next president of Poland is growing more apparent. Page 2

Wine makers rebel

French vintners rose up in protest against a government plan to restrict advertisements for alcoholic drinks, saying it would damage sales and France's prestige overseas.

Business Summary

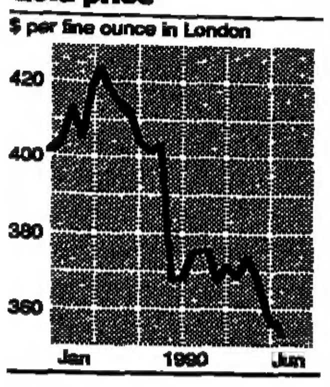
Vice-chairman of Fed quits for academic position

THE vice-chairman of the US Federal Reserve Board, Manuel Johnson, announced that he would resign when his current term expired on August 3. His membership of the Fed itself had nearly 10 years to run. The surprise decision will free him to take up a new academic post, and to help found the Group of Seven Council, a voluntary body which aims to clarify policy options in international co-ordination, of which he will be executive co-chairman. Page 7

GOLD: The price fell steeply again, at one stage reaching the lowest level for nearly four years, to close at $353.25 a troy ounce, down $4 an ounce from Wednesday's close. Commodities, Page 42

Gold price

$ per fine ounce in London



FLETCHER CHALLENGE, New Zealand forestry and energy conglomerate, has made a late bid for state-owned Telecom. Page 28

GREECE is seeking loans of up to Ecu7bn ($8.5bn) from the European Investment Bank. Page 2

NIXDORF, troubled West German computer maker, has recorded one of the largest ever losses in West German corporate history, declaring a loss of DM1.069bn on turnover for 1989. Page 29

PILKINGTON, international glass manufacturer, saw pre-tax profit fall by 3 per cent in the year to March 31, the first fall in the group's taxable profit since 1986. Page 29; Lex, Page 28

BANQUE Nationale de Paris, French state-owned bank, is winding up Banque Internationale pour l'Afrique Occidentale, troubled West African bank. Page 30

JAPAN'S eight leading life assurance companies saw the value of their unrealised capital gains fall by Y8,973bn ($59bn) in the year to March. Page 31

SHEARSON Lehman Hutton, US investment bank, is reviving the name Lehman Brothers for its reorganised investment banking division with which it plans to revive a partnership structure. News, Page 29; Analysis, Page 32

UK CAR sales are expected to fall by almost 9 per cent to 2.1m this year from the 1989 record of 2.3m. Page 10

LAUDA AIR, Austrian airline backed by the name of r Niki Lauda, former racing driver, comes to Vienna's stock market next week to raise Sch450m ($37m). Page 29

Lifting of ban on UK beef removes EC crisis threat

By Tim Dickson in Brussels and Steven Butler and Michael Cassell in London

THE EUROPEAN Community yesterday pulled back from the brink of political crisis with a hard-fought deal restoring cross border trade in British beef.

France, West Germany and Italy agreed to lift their embargoes on UK meat – imposed in response to fears over bovine spongiform encephalopathy, known as mad cow disease – after more than 20 hours of tense negotiations in Brussels.

Britain, which went into the meeting insistent that consumers were already protected by existing safeguards, was forced to accept new EC measures including a certification system guaranteeing that exports of "bone-in" beef are from BSE-free herds.

Although lifting of the import bans was welcomed in the UK beef industry, there was widespread disappointment that the ministers had ignored veterinary advice that British beef was safe and had imposed what were seen as politically inspired restrictions on British exports.

Mr John Gummer, the UK Agriculture Minister, last night faced calls from members of parliament for Britain to seek compensation from those EC countries which participated in the embargo on UK beef.

Dr David Clark, agriculture spokesman of the opposition Labour Party, said the meeting

John Gummer: facing calls to demand compensation

Henri Nallet: saw his action as "the only way"

had resulted in a humiliation for Mr Gummer, who had been forced to accept conditions which, six months earlier, he had rejected as impracticable and unnecessary.

The immediate impact of yesterday's deal will be felt by the UK beef trade, which earned more than £300m ($500m) from sales to the EC last year.

In Brussels there was relief that the EC's principle of free trade had been upheld and that an embarrassing distraction to negotiations on EC political union had been removed.

Mr Raymond MacSharry, the EC's Agriculture Commissioner, said: "All of us must be very relieved that within the week we have succeeded in acting as a united front."

Mr Michael O'Kennedy, the Irish Farm Minister and chairman of the EC Farm Council, said: "It was a compromise whose importance extended way beyond the beef trade. It shows that all this high sounding talk of political union can only be based on a political agreement that recognises...the interests of member states."

Mr Henri Nallet, the French Agriculture Minister who precipitated the crisis by announcing last week's ban, was unrepentant. He said he "regretted" having to take unilateral measures but it was the only way to force EC ministers to the negotiating table.

Mr Gummer played down the significance of the "special measures" and said Britain had resisted "a series of outrageous proposals (by other member states) that had nothing to do with science."

EC officials said the talks had virtually broken down at breakfast time yesterday. One observer said "only the fear of failure kept them going."

A major sticking point was French and German demands that exports of "bone-in" beef and live cattle under six months be certified as having derived from animals which are not from herds in which BSE has been confirmed in the previous two years. In the end this condition was imposed only for bone-in beef, with live animals having to be certified as not being the offspring of cows in which BSE is suspected or confirmed.

Britain, the Netherlands and Denmark have all banned so called meal and bone feed for cattle following suspicions in Britain that a change in the heating process, plus an agent in sheep waste, may have caused the outbreak of BSE. The feeding of animal protein is now being examined by the Commission.

Editorial comment, Page 26

Members agree transformation of Warsaw Pact

By Quentin Peel in Moscow

THE WARSAW Pact agreed yesterday on a transformation of the military alliance into what could become little more than a non-aggression bloc committed to disarmament and the re-integration of the two halves of Europe.

Leaders of all the former Socialist states of eastern Europe met in Moscow to decide on a transitional process, intended to keep the pact together long enough for alternative all-European structures to take its place.

The declaration agreed by the seven member states was sweeping and yet vague enough to accommodate the desire of such members as Hungary, Czechoslovakia and East Germany to quit the alliance, and of the other states to keep it in being as a counterbalance to the German re-unification process.

Precise proposals for the future of the integrated military command structure could emerge in the next month, with overall transition proposals to be finalised by October, in time for an emergency summit of the organisation in November, according to a top Soviet official after the meeting.

The declaration commits all member states to a "transformation (of the alliance) into a treaty of sovereign states with equal rights, based on democratic principles."

It said member states "find it necessary to reconsider the character and functions of the Warsaw Treaty." They are sure that only in this case would the alliance be able to focus on new aims "dealing with disarmament and the creation of an all-European security system."

The declaration is based on the assumption that "the ideological enemy image has been overcome by the mutual efforts of East and West, while the East and West notions are again acquiring a purely geographical meaning."

It goes on to spell out "the readiness for constructive co-operation with the North Atlantic alliance, its member states, neutral and non-aligned countries of the continent."

Mr Yuli Kvitsinsky, a Soviet Deputy Foreign Minister, said that "the idea of reorganising the military command was definitely there." However he said none of the participants would be able to spell out details "for two or three weeks. In a month's time we will see."

He denied that any member state had talked formally of dissolving the pact, nor of leaving it in the near future. However, he admitted that "the range of opinions was rather broad."

Continued on Page 28

De Klerk partially lifts emergency

By Philip Gawith in Johannesburg and Ian Davidson in Paris

THE four-year-old state of emergency in South Africa was lifted yesterday in three out of four of the country's provinces, in a move aimed at paving the way for negotiations with the African National Congress (ANC).

The move, announced by President F.W. de Klerk and accompanied by the release of 48 political prisoners, met a lukewarm response from ANC leaders.

Mr Nelson Mandela, ANC Deputy President, speaking in Paris at the start of a six-week European and North American tour to promote economic sanctions, called it "a victory for the people of South Africa as a whole. I am very happy to hear this."

But he regretted that the troubled province of Natal would remain under a state of emergency and said it was still necessary to keep up pressure on Pretoria by maintaining sanctions.

Other senior ANC leaders said the partial lifting of the emergency did not meet the precondition set by the organisation for the beginning of formal talks on a new constitution. Mr Walter Sisulu, a prominent ANC official, speaking in Johannesburg, said: "We are not asking for half measures. What we have asked for is to clear the atmosphere for negotiations. That is not done."

Natal has been the scene of nearly half the 6,000 deaths resulting from political violence since 1986. The emergency powers have done little to stem the violence in the country as a whole, with politically inspired killings currently running at six a day, compared with an average of three when the measures were introduced.

In his speech in Parliament yesterday, President de Klerk also made his strongest attack on the policies of the ANC since he lifted the ban on the organisation on February 2. He said the ANC should review its support for guerrilla war against white rule, and its economic policy of nationalisation.

"The time has now arrived for the ANC to state unequivocally where it stands on key issues," he said.

His tougher stance came in the wake of a by-election on Wednesday which showed that the ruling National Party has lost ground to the ultra-right Conservative Party since last September's parliamentary election.

The Nationalist Party retained the seat, at Umlazi, near Durban, but with a majority slashed from 2,835 votes in September to only 547. The swing from Nationalists to Conservatives was 13.4 per cent. Worst hit, however, was the liberal Democratic Party, which lost its deposit as 20 per cent of its September voters switched to the National Party, probably in an effort to prevent a Conservative victory.

The far-right attack on the government continued yesterday, with CP officials describing President de Klerk's latest moves as "irrelevant." The government, however, retains a comfortable parliamentary majority.

The poll nevertheless underlines the caution of the electorate at a time when President de Klerk has accelerated the speed of his reforms.

Notwithstanding the lukewarm ANC response to yesterday's development, there will be great relief at the lifting of laws under which an estimated 30,000 people were detained.

Thatcher outlines a fresh role for Nato

By Philip Stephens, Political Editor, in London

MRS Margaret Thatcher, the British Prime Minister, yesterday attempted to sketch out a new and central role for the Nato alliance in preserving peace in Europe following the collapse of communism in eastern bloc countries and the end of the cold war.

In a speech to Nato's foreign ministers in Turnberry, Scotland, she said that the task of next month's Nato summit would be to find ways to extend it role from "preventing war to building peace".

The focus, she said, should be on striking the right balance between preserving the present character of the alliance and giving it a new political dimension. Nato foreign ministers meanwhile expressed optimism that they could persuade the Soviet Union to accept a united Germany's membership of the alliance through the creation of a new security structure in Europe.

Mr James Baker, the US Secretary of State, told the Nato Council that Mr Eduard Shevardnadze, his Soviet counterpart, appeared to be impressed by the west's efforts to meet Soviet security concerns.

Mrs Thatcher's comments, made en route to her meeting in Moscow today with President Mikhail Gorbachev, were designed to quash any suggestion that the declining military threat to the west from the Warsaw Pact might leave Nato without a role. She warned that the Soviet Union remained a formidable military power and that Nato had to be ready

Continued on Page 28
Other Nato reports, Page 3

World governments split over plans to curb global warming

By David Thomas, Natural Resources Editor, in Geneva

A SPLIT has emerged among world governments over plans to take action to stop the spread of global warming.

The Soviet Union, China and Saudi Arabia yesterday joined the US at a major international conference in opposing early action to tackle the most important environmental issue facing the world.

The division deepened further when 14 countries, including France, Italy and the whole of Scandinavia, tabled a motion calling for negotiations to begin immediately on diplomatic accords, known as protocols, to cut back on greenhouse gases.

Sweeping changes to the world's economy, particularly in energy and transport, would be needed to reduce emissions of the main greenhouse gases such as carbon dioxide.

The divisions about the policy response emerged yesterday at a meeting of the UN-backed Intergovernmental Panel on Climate Change (IPCC) in Geneva.

The meeting, attended by more than 30 countries, is due to agree a final report on how to tackle global warming today.

The report will then be discussed at a large ministerial conference in November.

The Geneva meeting was split yesterday over how the world community should negotiate a framework convention on reducing emissions of greenhouse gases.

Until now, the US has been almost isolated in warning of the heavy costs of tackling global warming.

Environmental organisations attending the Geneva meeting were yesterday concerned that the split could result in the watering down of the IPCC's final report.

Japan is seen as siding with the US, while the UK is seen by delegates in Geneva as in the opposite camp now that Mrs Thatcher, Britain's Prime Minister, has committed the UK to stabilising carbon dioxide emissions by the year 2005.

This is ironic in view of UK disagreement with other EC members about the timing of targets.

Saudi Arabia's powerful contribution was interpreted by delegates as reflecting growing concern among oil-producing countries about the impact of possible greenhouse actions on oil demand.

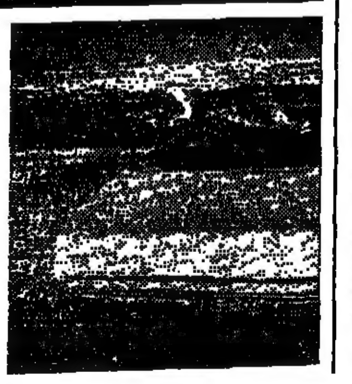
The Soviet Union and China backed Saudi Arabia by stating that they could not meet early targets to cut greenhouse gas emissions.

Their interventions were seen as reflecting a more widespread concern among developing countries and among the energy-inefficient countries of eastern Europe.

The draft report proposed "early" agreement on this convention but Saudi Arabia – making its first substantial contribution to the global warming debate – argued instead for a "timely" agreement.

"We have been arguing all afternoon over one word. It may seem a trivial point, but countries' true positions are at last being flushed out," one delegate said.

Weekend FT



Tomorrow: Is California, the Golden State, going Green or going crazy?

Travel: Malta in focus

CONTENTS

The dispute at the heart of the Israeli government impasse

Two of Israel's most articulate politicians, Ezer Weizman (left) and Binyamin Begin, set out the arguments behind the government impasse. Central to the dispute is policy towards the occupied territories.

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MARKETS

STERLING
New York lunchtime: $1.6870
London: $1.6890 (1.6885)
DM2.8550 (2.8475)
FFr9.6275 (9.6075)
SFr2.430 (2.4125)
Y257.75 (257.50)
£ Index 89.5 (89.3)

GOLD
New York: Comex Aug $358.1 (361.0)
London: $353.25 (357.25)

N SEA OIL (Argus)
Brent 15-day $15.675 (15.675)

Chief price changes yesterday: Page 29

DOLLAR
New York lunchtime: DM1.6930
FFr5.7045
SFr1.4445
Y152.65
London: DM1.6910 (1.687)
FFr5.70 (5.69)
SFr1.4385 (1.4265)
YY152.55 (152.55)
$ index 67.6 (same)
Tokyo close: Y152.55

US lunchtime rates
Fed Funds $8\frac{1}{4}$%
3-mo Treasury Bills: yield: 7.951%
Long Bond: $103\frac{5}{16}$
yield: 8.438%

STOCK INDICES
FT-SE 100: 2,378.4 (+19.9)
FT Ordinary: 1,904.0 (+23.0)
FT-A All-Share: 1,170.69 (+0.8%)
New York lunchtime: DJ Ind. Av. 2,892.86 (−18.69)
S&P Comp 362.16 (−2.80)
Tokyo: Nikkei 33,192.50 (+239.0)

LONDON MONEY
3-mo Int'bank close: $15\frac{1}{16}$-$15\frac{1}{32}$% ($15\frac{3}{32}$-$\frac{1}{16}$)
Liffe long gilt future: Sep $83\frac{21}{32}$ ($83\frac{7}{32}$)

Greece seeks £5bn loans from EIB

By Kerin Hope in Athens

GREECE is seeking loans of up to Ecu7bn (£5bn) from the European Investment Bank because it cannot contribute its share of funding for a series of major infrastructure projects included in the European Community's regional development programme.

The projects call for outlays of Ecu14.3bn over the next four years, of which Ecu7.19bn is to come from the Community's structural funds and another Ecu1.3bn in the form of a loan from the EIB.

Greece was to have provided the rest of the financing but is now backing away because of worsening economic problems. Another record budget deficit of more than Dr2 trillion (£7.5bn) is forecast for 1990, while the current account deficit is likely to reach £1.5bn for the second successive year.

"The question was, where can we find the money for these projects? We hope the bulk of it, if not quite all, will come from the EIB," said a senior Greek official.

The projects include building an extension to the single-line Athens underground system; constructing a new airport for the capital; installing a pipeline carrying Soviet natural gas from the Bulgarian border to Athens; and the diversion of the River Acheloos in central Greece to irrigate farmland.

Even if the Greek loan request gets a favourable hearing at next Monday's meeting of EC economy ministers, the question of imposing strict conditions will inevitably arise. The Commission has already taken Greece to task for failing to keep the terms of an Ecu 1.75bn emergency loan granted in 1985.

However, the new conservative Greek government is not only emphasising willingness to fulfil its EC obligations but is also showing an unexpected eagerness to submerge policy making on foreign affairs and even defence in a future Community consensus.

Greece recently submitted a memorandum on European political union to its EC partners which proposes abolishing restrictions on examining defence topics and defining a Community position on its territorial security.

It states: "Our presence in Europe and the world will carry more weight and be more influential in consolidating peace if external policy and security are dealt with at Community level."

The memorandum also suggests joint EC policies and action on education, social welfare and the environment, reflecting a new official view that only an increased surrender of sovereignty to Brussels will ensure that Greece narrows the economic and social gap separating it from the rest of the Community.

Opposition tipped to win Bulgarian election

BULGARIA'S election campaign reached its climax last night when tens of thousands of people turned out in Sofia for rallies by the ruling Socialist (communist) Party and the Union of Democratic Forces, its main rival, writes Judy Dempsey in Sofia.

The capital was awash with red and blue flags, the campaign colours of the BSP and UDF respectively, while brass bands and heavy metal music boomed across the city's main square.

Each party is confident it has secured the votes of the capital's one million people for Sunday's poll. But the pundits reckon the city is in the hands of the blues.

Outside Sofia, the UDF is hoping that some votes from the 1.5m ethnic Turkish minority, the victim of a brutal assimilation campaign by the communists in the mid-1980s, will also go to the UDF. However, most Turks will vote for the Committee of Rights and Freedom led by Mr Ahmed Dougon, an ethnic Turk.

His party, which is standing in 70 of the 200 single constituencies and 90 of the 200 party list constituencies, could win up to 40 seats in the 400-member National Assembly.

Despite rifts between the UDF and the Committee, Mr Dougon this week confirmed that his party would support the UDF in those constituencies where it is not represented.

In the early stages of the campaign, the UDF lost the ethnic Turks as valuable allies because sections of the UDF did not want to accept a political party based solely on ethnic background.

But Mr Dougon's movement has also lost valuable votes. His party will be deprived of those votes from the ethnic Turks who fled Bulgaria last summer and who are now living in Turkey. The UDF and the communists agreed at the Round Table talks that only those who held service passports or who had lived abroad for five years, could vote.

W German insurers warned

By Lucy Kellaway in Brussels

SIR Leon Brittan, European Competition Commissioner, yesterday told an audience of West German insurers they would lose out if they did not rise to the challenges of the single insurance market.

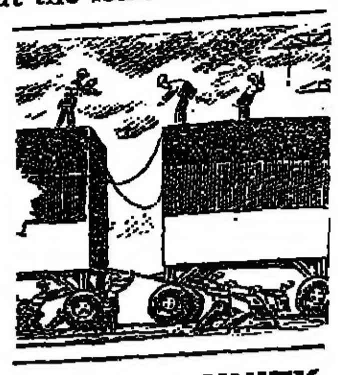
His words come amid concern that Germany is slowing progress towards a single market in insurance, by fighting to keep as far as possible its heavily regulated and protected insurance market.

In March, West Germany jointly committed itself, with the UK, to a competitive European market, with insurers allowed to do business on a single licence anywhere in the EC under control of their home-state regulators. But since then, there have been signs it is resisting moves to open the car insurance market.

Sir Leon, addressing the German insurance association in Cologne, said the industry would have to go through "rapid and fundamental change" to adjust to the new conditions. "The crucial principle of mutual recognition, which has given so much impetus to the EC over the past decade, must apply to insurance too. This will require extensive change within the German market."

E German car industry's bumpy ride to modernity

Andrew Fisher looks at the lead role for W German car makers



ROAD TO UNITY

IN THE historic East German town of Eisenach, where the imposing Wartburg castle looks down from its hilltop perch, the age of the modern car is not far off. Here, Opel, part of General Motors, will start assembling its mid-range Vectra saloon in October near a plant which still turns out the ageing Wartburg model.

At first only 10,000 Vectras a year will be made, fewer than 200 people will be employed, and the parts and assembly line will be imported from the west. But, like Volkswagen's new assembly operation in Zwickau, the venture has come to represent the challenge of bringing the East German economy up to West German standards.

Opel and VW have taken on a huge task. East Germany has no independent motor component makers, so the IFA kombinat, in which the car and and truck industry is grouped, makes almost everything itself. By contrast, western motor companies rely on outside suppliers for about half their components. Moreover, most IFA plant is so outmoded that billions of D-Marks of investments will be needed to replace it.

The gap between the present and the future is borne out starkly in Eisenach, where much assembly work on the solid, unexciting Wartburgs is done by hand in a plant near the cramped town centre. Chassis with engines are pushed laboriously to the spot where the bodies are lowered on to them. Some operations are carried out from pits under the moving line and each car is manually tested.

Eisenach continues to make Wartburgs and Zwickau to turn out choking Trabants, even though the market for both cars has dried up as East German buyers have turned to second-hand western models. To stop production immediately would put thousands out of work.

Thus VW's small Polo car is being assembled in Zwickau at a rate which will reach 50 a day by the end of the year, while plastic-bodied Trabants roll off a nearby production line. Similar parallel production will happen in Eisenach. For while VW and Opel have ambitious plans to manufacture 150,000 or more cars a year in East Germany, setting up such production lines – present annual car output there is under 220,000 – will take time.

It will also be some time before penetration of new car ownership reaches levels in West Germany where 2.8m cars were sold to a population of 60m last year. In East Germany, with 16m inhabitants, only 170,000 were bought.

Mr Carl Hahn, VW's chief executive, reckons annual East German purchases will reach 500,000 new cars in 1995 and 700,000 by the year 2000. He hopes VW's market share in East Germany will exceed the 30 per cent it enjoys in West Germany. But how the market will develop is unclear, since the economic impact of currency union can only be guessed at.

VW expects to invest about DM5bn (£1.75bn) in Zwickau eventually. It plans to move from simple assembly of Polos to full scale production of 125,000 cars a year by 1994, with 250,000 a year envisaged after that. Opel is talking of 150,000 cars a year – probably its small Corsa or Kadett models – after 1993.

Opel's headquarters at Rüsselsheim near Frankfurt is about two hours drive from Eisenach, which makes it relatively easy to supply parts for East German assembly. Though the Vectra costs around DM25,000, the cheaper Kadett model, which might be regarded as more suitable for East German purses, is made at a much more distant plant in Bochum in the Ruhr.

The Eisenach plant has been making 75,000 cars a year with more than 9,000 people. A modern car plant of the size Opel has in mind would need little more than 3,000 employees.

There will be redundancies, but Eisenach is pinning its employment hopes on the development of its component and machine tool activities. It already supplies tools to Opel, Sweden's Volvo, and BMW, which owned the plant until the end of the Second World War. Talks with Opel could lead to the eventual supply of parts such as axles and gears to the GM subsidiary.

Outside Eisenach, an area has been earmarked for an Opel plant to be built once the company signs a final agreement with the East Germans; the Vectras will be assembled on the same site. A modern plant already makes engine parts there for IFA under an earlier deal with VW. Next door is a new Wartburg body plant which may become part of the planned Opel production line.

Mercedes-Benz, the Daimler-Benz vehicle subsidiary, is also working with IFA on the modernisation of its truck sector. Mercedes will at first provide modern cabins for IFA's new L60 light truck, later helping to develop new models. The main IFA truck plant is near Berlin at a former Daimler aircraft engine site.

IFA employs 50,000 people to build 40,000 commercial vehicles a year, so drastic changes are inevitable here, too. "This level of vertical integration cannot continue," says Mr Lothar Heinzmann, the head of IFA trucks. Mercedes is working with IFA on building a viable parts industry to provide continuing employment for as many people as possible.

In East Germany where cars of 20 years and older are not uncommon and waiting lists have exceeded 10 years, the pent-up demand is enormous. The country's planners stunted the growth of a modern car industry. West Germany's motor companies are now ready to help bring it up to date, an undertaking fraught with problems as well as opportunities.

Solidarity divide grows more open

By Christopher Bobinski in Warsaw

THE split in Solidarity over Mr Lech Walesa's attempt to become president is growing more apparent.

The Solidarity leader this week spoke favourably of the Centre Agreement, a coalition set up by Mr Jaroslaw Kaczynski, a trusted aide. The group openly says it wants to see Mr Walesa as President, and has itself the makings of a future Presidential political party akin to the France's Gaullist movement.

The right-leaning group, many whom last year saw their ambitions of entering parliament or the Government dashed by rivals in Solidarity, are calling for a parliamentary and presidential election as soon as this autumn.

They argue that the spring 1989 round table agreement between Solidarity and the former Communist authorities which provided for the appointment as president of General Wojciech Jaruzelski, the Communist leader, and a free election for no more than 35 per cent of the seats in Parliament is undemocratic and cannot meet the political challenge posed by an increasingly restive populace.

Mr Walesa looks set to harness this shop floor frustration. Although opinion polls show him trailing Mr Tadeusz Mazowiecki, the Prime Minister, the Solidarity leader is reportedly confident that he will succeed in his bid. Opinion polls indicate ebbing support for the Government's tough economic policies and a low 42 per cent turnout at recent local elections reflect disappointment with Solidarity's political and economic performance.

Yesterday Mr Adam Michnik, the editor of the Gazeta Wyborcza, a Solidarity paper seen by Mr Walesa as representing the faction opposing his drive for the presidency, held out an olive branch.

"I believe that we could go into these elections (for president) together with Lech Walesa," Mr Michnik wrote. He added the condition, though, that Mr Walesa would be president of "a democratic republic and not a post-communist imperious monarch".

The challenge by Mr Walesa's supporters is also aimed at the Mazowiecki Government which is criticised for being too cautious in sweeping away the remnants of the communist regime and proceeding too slowly with economic change such as privatisation. Mr Mazowiecki is on record as favouring parliamentary elections next spring.

Nevertheless a compromise has been signalled by the Centre Agreement under which Mr Mazowiecki would stay as head of the administration in exchange for supporting Mr Walesa and agreeing to a number of government changes. Whatever the compromise achieved, the Solidarity establishment faces a significant reshuffle.

The only major casualty, however, could be General Wojciech Jaruzelski, the present president, who theoretically has another five years of his term to run.

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EUROPEAN NEWS

Dirty tricks row engulfs poll in Czechoslovakia

By John Lloyd and Leslie Colitt in Prague

CZECHOSLOVAKIA was last night engulfed in political crisis on the eve of elections, throwing into doubt prospects for a coalition government between Civic Forum and the Christian Democratic Union.

The CDU, the biggest grouping outside the Civic Forum, uniting the People's Party and the Czech and Slovak Christian Democrats, was last night reviewing its position after the effective political destruction of Mr Josef Bartoncik, the People's Party President, by Mr Jan Ruml, the deputy Interior Minister and a Civic Forum member.

Dr Bohumil Kobliha, consultant to the People's Party, said yesterday that "the possibility of a coalition is now being reconsidered. We feel that Civic Forum has employed the dirtiest political tactics". In an open letter yesterday, Mr Ruml claims that he has evidence which severely compromises Mr Bartoncik – presumably, though this was not made explicit, because it links him with the secret police.

Mr Ruml said that, when confronted with it, Dr Bartoncik had promised to resign his chairmanship and candidacy for the assembly – but had done neither.

The People's Party said the allegations were groundless.

The alienation of the Christian Democrats could deprive Civic Forum of its strongest potential partner if it fails to win an absolute majority in the vote. More seriously, if the Christian Democrats win in Slovakia over Civic Forum's sister movement, Public Against Violence, then a decision to go into opposition could strengthen separatist tendencies there.

EC ministers agree hazardous waste plan

By Lucy Kellaway in Luxembourg

EUROPEAN Environment ministers yesterday agreed the principle that member states should be able to dispose of all their own hazardous waste, but did not set a date for them becoming self-sufficient.

The question of export of waste had been the major sticking point on a wide ranging directive, setting rules for the disposals and transport of waste.

Some countries wanted member states to become self-sufficient as quickly as possible, while others had wanted to continue to be able to ship waste to their neighbours.

The UK, which receives some 25,000 tonnes of waste a year from Belgium and Holland alone, expressed pleasure at the compromise, which commits member states to "take steps" to make the EC as a whole and individual countries self sufficient.

Ministers also agreed in outline measures designed to make batteries safer and establish rules for their safe disposal. Starting from 1993 all batteries will have to be marked with disposal instructions, and any recycling details. A maximum mercury content for long life batteries was established (0.025 per cent by weight) which will take effect by 1993. Many batteries in Europe are above this level, which is likely to involve extra investment by their manufacturers.

The EC will argue at the London conference on the ozone layer that world production of CFCs be eliminated between 1997 and 2,000: a more ambitious date than favoured by other trading blocks.

It also put its weight firmly behind the establishment of a special fund to help developing countries get rid of CFCs - an arrangement which the US is still believed to oppose.

French minister rejects idea of multi-national forces

By David White, Defence Correspondent

MR JEAN-PIERRE Chevènement, the French Defence Minister, yesterday poured cold water on British and US proposals for troops in West Germany to be regrouped in multi-national forces.

He said France wanted its say in changes to Nato's military posture but there was "no question" of France rejoining its military organisation.

The joint Franco-German brigade now being formed in West Germany was valuable politically but had shown up practical limitations and could not be "generalised", he said.

The experiment might be repeated later. "But in my view this kind of operation could be conducted only in a bilateral form and among Europeans."

Speaking to the Royal United Services Institute, in London, he said France was fully prepared to take part in the alliance's efforts to adapt to changes in Europe. He spoke of "modifying the military function of the alliance" and called for "innovative decisions" to be taken at a further Nato summit, beyond the London summit on July 5 and 6.

But he saw nothing that could make France go back on its 1966 decision to quit Nato's military structures. "The national dimension of security will remain essential as far as France is concerned," he said. It was the basis of political consensus on security issues.

Mr Chevènement said France would not become involved in talks on strategic nuclear disarmament until US and Soviet arsenals came down to levels "comparable to our own."

This would be far from the case even after the "Start 2" talks which the US and the Soviet Union are thinking of launching.

US commitment to Europe's defence would remain a necessity but might well diminish, and Europeans had to play a bigger role in their own security.

His speech made clear, meanwhile, that France had aligned itself with other allies in seeking immediate further talks among the 23 Nato and Warsaw Pact countries after the signing of a CFE treaty on conventional disarmament, expected later this year. The aim of these talks would be to adjust the treaty's terms to German unification and limit troop levels in central Europe.

Later talks, under a new mandate, among all 35 countries of the Conference on Security and Co-operation in Europe, were likely to make more progress in confidence-building measures than in agreeing further quantitative reductions, he said.

Chevènement: joint forces 'limited'

Nato believes Moscow will accept Germany's entry

By Robert Mauthner in Turnberry, Scotland

NATO Foreign Ministers yesterday expressed optimism that they could persuade the Soviet Union to accept a united Germany's membership of the alliance through the creation of a new security structure in Europe.

Mr James Baker, the US Secretary of State, told the Nato Council at the start of a two-day meeting here that Mr Eduard Shevardnadze, his Soviet counterpart, appeared to be impressed by the West's efforts to meet Soviet security concerns. The prospects of finding a solution to the German problem had substantially improved after his meeting with Mr Shevardnadze in Copenhagen at the beginning of the week, Mr Baker indicated. The desire to assuage the anxieties of the Soviet Union was underlined by Mr Douglas Hurd, the British Foreign Secretary.

The Soviet Union did not have a veto over the choice of the German people to belong to an alliance. "But it is worth working imaginatively to find ways of making that choice acceptable to the Soviet Union if we can do this without prejudicing our own success and our own security," Mr Hurd said.

The Foreign Secretary added that a clear distinction had to be made between those attributes which would remain essential even in the changed circumstances of Europe and those which needed to be updated.

Among the changes which had to be made was a greater emphasis on Nato's political role and an adaptation of its military and nuclear strategy, Mr Hurd said. With a treaty on conventional forces reductions (CFE) to be signed this autumn and the withdrawal of Soviet forces from eastern Europe, there should be scope for significant changes in the structure and deployment of Nato's forces.

New concepts such as minimum deterrence had to be developed. But Mr Hurd has made it clear that Britain rejected the abandonment of the concept of "first use".

Nato Ministers are still waiting to hear more details about the kind of agreement that the Warsaw Pact countries want to conclude between their alliance and Nato. However, other aspects of their confidence-winning package are already clear.

Nato will commit itself to follow-on CFE negotiations; it will open negotiations on short-range nuclear forces; Germany will reaffirm its commitments neither to produce nor possess nuclear, biological or chemical weapons; Germany will agree to the stationing of Soviet forces in East Germany for a transitional period; the alliance will pledge that Nato forces will not be extended to the territory of East Germany and it agrees that the Conference on Security and Co-operation in Europe should have an expanded role. Economic aid to the Soviet Union will also be offered by Germany.

Bonn-Berlin rift over property

By David Goodhart in Bonn

THE GOVERNMENTS of the two Germanys, both led by Christian Democrats, face their most serious clash so far – over claims by West Germans to property in East Germany.

The ownership question was unresolved in the treaty on economic and currency union signed last month. Lack of progress since then means it may still not be resolved before currency union on July 2.

Bonn is working on a supplement to the treaty to encompass the ownership problem and transitional arrangements for absorbing East German Länder (states) into a unified Germany.

The West Germans want to start from the principle that all property to which there is a properly traceable claim should be returned to its original owner. Only where this would create unacceptable hardship or injustice is financial compensation, out of a fund set up from privatisation proceeds, considered sufficient.

East Berlin wants to concentrate on financial compensation for former owners and, unlike Bonn, is also prepared to renounce any claim to property taken by the Allies, in particular the Soviets, up to 1949.

Between 500,000 and 1m West Germans have claims on domestic or industrial property and about a third of all land could be claimed by people outside East Germany.

"The ownership problem is the most legally and morally difficult aspect of the whole unification process. We have to try to resolve the injustice of the past without creating new injustices," an official said. The solution would also have to bear in mind the interests of foreign and West German companies wishing to invest.

East German industrial property nationalised in 1972 can now be bought back by former owners. Non-East Germans can also buy companies, though they are unlikely to want to do so until it is clear there are no residual claims.

West German trade surplus falls to DM7.6bn in April

By Katharine Campbell

WEST Germany's trade surplus fell to DM7.6bn (£2.66bn) in April, after the record DM13.4bn achieved in March. The current account balance also narrowed, to DM5.7bn, after DM10.4bn the previous month.

Economists expect that West Germany's surpluses will diminish as trade and investment patterns alter following monetary and economic union with the East.

But they say that the effect is unlikely to show through clearly until next year. However, many believe that the record trade surplus of DM135bn achieved in 1989 is unlikely to be surpassed.

Yesterday's figures showed that exports had fallen 14 per cent, compared with the previous month, to a total value of DM52.44bn. Imports, meanwhile, dropped by 5.7 per cent to DM44.82bn.

The DM44.5bn trade surplus for the first four months of the year was a shade down on the record DM45.6bn for the same period in 1989.

The current account surplus, which totalled DM34.5bn to the end of April, compares with DM39.1bn the previous year.

Italy set to introduce strike curbs

A COMMITTEE of the Italian Senate last night approved the first legislation in the country's history restricting the right to strike, writes **John Wyles in Rome.**

Employees will in future have to guarantee the maintenance of "essential" public services during a dispute or face disciplinary measures.

The list of public services to be protected includes health, refuse disposal, customs, energy supply, education posts and telecommunications.

Popular demand for limits on the right to strike has been stimulated by rail and air stoppages over the last three years, mostly organised by rank and file union committees.

Intel Irish plant

Intel of California, the world's leading manufacturer of advanced computer chips, has announced plans to proceed with work on a I£200m wafer fabrication plant at a site at Leixlip, near Dublin, writes **Kieran Cooke in Dublin.** Intel has already built a systems facility at Leixlip, the first phase in its plans to make the site its manufacturing base for the European market.

Soviet media law

The Soviet Parliament is expected today to approve a long-awaited media law guaranteeing free speech and the right of reply, writes **Leyla Boulton in Moscow.** The new law forbids monopolies, allows individuals to own newspapers, protects editors from arbitrary sacking, and stipulates the individual's right to privacy. The law also bans pornography and racist and seditious material.

Berlin arrest

West Germany yesterday reaped its first benefits from new anti-terrorist co-operation with East Berlin as the East German Government announced the capture of an alleged top terrorist wanted by Bonn for 13 years, writes **David Marsh in Bonn.**

Ms Susanne Albrecht, 39, wanted for questioning in connection with the murder in 1977 of Mr Jürgen Ponto, chief executive of the Dresdner Bank, was arrested in East Berlin on Wednesday.

WORLD TRADE NEWS

EC concern over Korean high-quality import curbs

By John Ridding in Seoul

MEMBER STATES of the European Community are expressing increasing concern about restrictions on imports of high-quality goods into South Korea.

The concern coincides with moves by a number of Korea's large general trading companies to limit such imports and the closure of a number of outlets for imported consumer products. "There is a disturbing accumulation of incidents which form a pattern of restrictions against high-quality imports," says one ambassador of an EC member country. "We are not pointing the finger at the Government but take the view that it should be a matter of concern to them."

Earlier this week, a delegation of EC ambassadors expressed their concerns to Mr Park Pil Soo, the Minister for Trade and Industry.

Officials at South Korea's Economic Planning Board and the Ministry of Trade and Industry said that the Government had no intention of restricting imports. "We are committed to free trade and the liberalisation of our markets," said one official.

He said that media and consumer organisations had launched a campaign against so called "luxury imports" because they created friction between different classes.

But a spokesman for one of the largest general trading companies said that government pressure, along with public opinion, lay behind its decision to cancel planned imports of refrigerators, washing machines and video tape recorders. He said that the company had already suspended imports of golf clubs from Japan and chocolate from Denmark.

Other general trading companies have also announced plans to limit imports of consumer goods, while a number of outlets for foreign products, often located in shopping centres owned by these companies, have been closed.

An agent for Gucci, the Italian fashion group, said that since the end of last month two of its outlets in department stores had been ordered to close.

"We were told it was a personal decision on the part of management and were given only a few days to close," says the agent. "There was no commercial reason for the closure since the outlets have combined sales of about $150,000 per month." But an official at one European embassy in Seoul rejected the arguments that the general public opposed imports of expensive consumer items because it increased social tensions between the haves and have-nots.

"The proportion of imports represented by high-quality products are a relatively insignificant proportion of the total value of imports," he said.

The diplomat added that the campaign against high-quality products partly reflects the vested interests of some of the large business groups which manufacture many of the products which their trading arms import.

Moscow starts to pay NZ imports

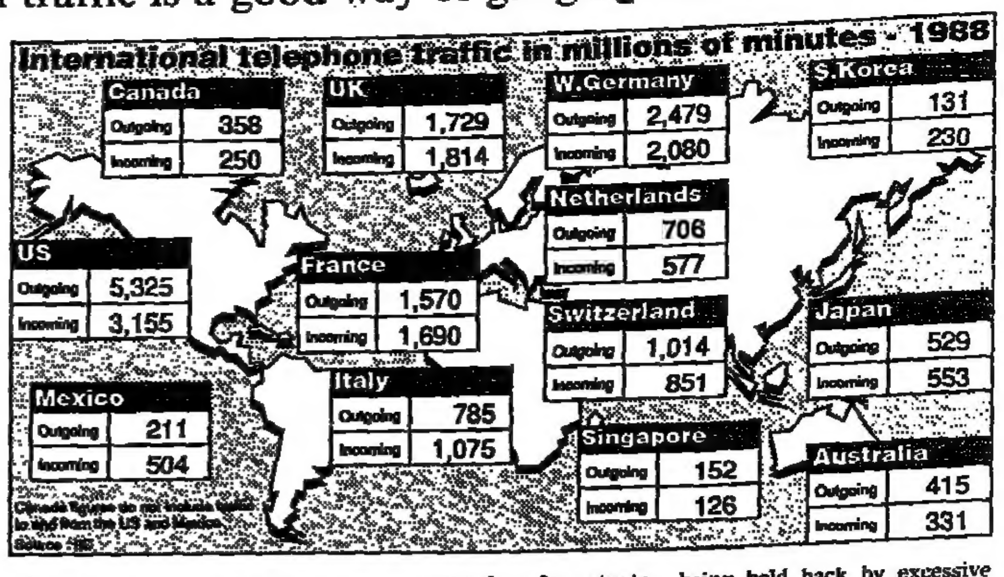
THE SOVIET UNION has started repaying the NZ$92m (£31.3m) outstanding for New Zealand wool and butter imports. The first payment to wool exports was received on Tuesday, Dai Hayward writes from Wellington.

The Dairy Board has not yet received confirmation that Moscow had approved the outstanding payment for butter shipments but Dr Alexander Kovalev, the Soviet trade commissioner, said payment was in the pipeline.

New Zealand wool exporters stopped shipments of wool to the Soviet Union earlier this year when Soviet payments fell behind.

The phone redraws map of the world

Tracking telecom traffic is a good way of gauging world activity, writes Hugo Dixon



THE UK borders on the US; the Soviet Union is a tiny outpost on the margins of western civilisation; sub-Saharan Africa is so unconnected with the rest of the world that it might almost be on another planet.

These are a few of the implications of the embryonic science of "telegeography", whose main technique is to examine who is communicating with whom. Unlike classic geography which charts rivers, mountains and political boundaries, telegeography tracks international phone calls, faxes and data flows.

Studying telecommunications traffic is a better way of gauging world activity than more traditional statistical measures, according to Mr Greg Staple, the Washington DC lawyer who has pioneered the science. Unlike most economic statistics which are biased towards manufacturing industry, measuring telephone calls picks up activity in services which are difficult to quantify.

In 1988 Britons spent 850m minutes on the phone to the US, more than twice as much as did to West Germany, the second-most popular destination.

Countries which make hardly any international calls are off the map from telegeography's point of view. The Soviet Union's citizens made less than 100m minutes of phone calls to the outside world, compared with the 5.4bn minutes made out of the US.

The total volume of international traffic has increased six-fold to 30bn minutes a year over the past decade and will increase a further five-fold over the next decade, according to a report* by Mr Staple for the London-based International Institute of Communications which is published this week.

Apart from general economic growth, two factors are behind the traffic boom. The first is networking. Advances in telecommunications have allowed corporations to restructure themselves on a global basis and to build sophisticated relationships with suppliers and customers. In this environment, networks of contacts become crucial to creating value and competitive advantage.

The second factor is technology, in particular the facsimile machine which accounts for 50 to 60 per cent of trans-Pacific traffic. The fax is an excellent way of coping with time zones – phone calls during vastly different office hours can be difficult, whereas a letter via fax does not require the other party to be there. It is also a way of partly transcending linguistic barriers: letters do not have accents, can be read slowly and often and can be translated.

However, Mr Staple warns that further traffic growth is being held back by excessive prices for international calls. An investigation by the Financial Times earlier this year showed that international prices were on average three times cost.

Among leading industrialised countries, the worst culprit is probably Italy, whose prices are about 40 per cent more expensive than those of its European counterparts. Italian consumers are the main victims of this high-price policy: in 1988, they made only 785m minutes of international calls, half the French total and a third of the German.

Mr Staple argues that the traffic boom of the past decade has created a new set of interests – people who have grown used to making international calls and would like them to be cheaper – to counterbalance the vested interests of the phone companies.

He also points out that breaking up telephone monopolies in one country – one means of bringing prices down – has a knock-on effect on other countries to which it speaks most frequently.

In 1988 Japan was making only 529m minutes of international calls, partly because of high prices. In the past two years, there has been a decisive shift of power in favour of consumers with international prices falling by 40 per cent.

Traffic out of Japan is now growing at about 40 per cent a year, twice the global average. Mr Staple's explanation is that, following the globalisation of Japanese business in the past decade, the Japanese establishment now realises that it is in its interest to have lower prices to help tie together its dispersed operations.

Mr Staple's report says that those countries which fail to reform their telecommunications institutions are in danger of being cut off from the mainstream of economic activity in much the same way that Africa and the Soviet Union are today.

**The Global Telecommunication Traffic Boom, IIC, Tavistock House South, Tavistock Square, London WC1H 9LF, $395*

US praises Tokyo on semiconductors

By Robert Thomson in Tokyo

US SEMICONDUCTOR makers yesterday praised Japan for its "changed attitude" to purchasing foreign chips, but warned that the country is well behind market share targets set in a bilateral semiconductor agreement.

Under the agreement, foreign makers are supposed to have a 20 per cent share of Japan's chip market by September 1991, but Mr Wilf Corrigan, chairman of the Semiconductor Industry Association (SIA), said the foreign share is only 13 per cent at present.

"In the last 12 months, there has been a better atmosphere and a good working relationship. The only problem is that we are still a long way from our objective," said Mr Corrigan, who led the US delegation in talks to review progress in the 1986 agreement.

Mr Corrigan said that the SIA appreciates the recent efforts made by the Japanese electronics industry and the Ministry of International Trade and Industry (Miti), but said that the first three years of the agreement brought almost no change in foreign market share.

He warned that the association "fully expects" the 20 per cent target to be met and, if it is not, "a wide range of options are available as a possible recourse".

A spokesman for the Electronics Industries Association of Japan (EIAJ) said that his association, the SIA, and the Japan Auto Parts Industry Association had decided to form a "task force" in an attempt to increase the sale of foreign chips to Japan's automobile industry. But he complained that threats by the SIA to apply for listing of semiconductors under the punitive Super 301 section of US trade legislation are unfair.

Report predicts new growth in clothing and textile industries

AFTER MORE than a decade of sluggish growth, the world's clothing industry is experiencing a sudden increase in demand, according to a new study* from the Economist Intelligence Unit (EIU), Alice Rawsthorn writes.

The level of clothing consumption has been static in both developed and developing countries since the mid-1980s. This trend was expected to continue until the end of the 1990s, but the EIU now expects the level of consumption to rise sharply.

It predicts that per capita fibre consumption will rise from the present level of around 6.7kg to 8.2kg by the year 2000. This means that overall consumption of clothing fibres will grow by nearly 3 per cent a year.

An increase in demand would alleviate the pressure on the textile industry which was intensely competitive for most of the 1980s. The EIU anticipates growth for the textile industries in East and South-East Asia and, to a lesser extent, in Eastern Europe.

**World Textile Trade and Consumption: Trends and Forecasts to 2000, EIU, 40 Duke St, London W1A 1DW for £95.*

Gatt urges greater help for Colombian exports

By William Dullforce in Geneva

COLOMBIA, the South American nation currently waging war against its drugs traffickers largely at the instance of the US, needs greater help from Washington, the European Community and Japan, in diversifying its exports and servicing its foreign debt.

This message emerges from the review of Colombia's trade policy submitted by the secretariat of the General Agreement on Tariffs and Trade to the Gatt Council yesterday.

High unemployment and population growth emphasise the urgent need for Colombia to find alternatives to illegal drug-related sources of income, the secretariat affirms. Further trade expansion is crucial.

However, while Colombia since 1984 has been liberalising its economy, expanding business opportunities for foreign traders, and reforming its trade practices to bring them closer to Gatt rules, its exports have been running into obstacles.

Colombia would be encouraged by "a more open and stable external trading environment", the secretariat states. Its meaning becomes clearer when it lists the difficulties Colombia encounters in its most important export markets. Revenue from coffee exports has been badly affected by the collapse of the International Coffee Organisation, but many industrial countries subject Colombian coffee to tariffs and internal taxes.

Coffee's share of total exports has tumbled from 60 per cent to around 25 per cent over the last decade.

Colombia is the world's second largest exporter of cut flowers and the third largest producer of bananas. In the US its flowers encounter anti-dumping duties on top of tariffs. Earlier this year Colombia accused the US in the Gatt Council of trade harassment.

In the EC its flowers and bananas meet tariffs of up to 20 per cent. Some EC states impose additional trade barriers to its bananas.

Agricultural subsidies or quotas in developed countries have badly affected Colombia's meat and sugar exports, while its textiles, clothing and leather articles run into a variety of tariff and other barriers in most foreign markets.

In contrast, the Colombian Government announced new trade reforms in March, continuing its gradual liberalisation of imports and the diversification which has already led to a substantial increase in exports of petroleum and coal. One aim is to reduce the average tariff rate, including import surcharges, to 25 per cent in five years.

The existing requirement that half of all Colombian imports and half of coffee exports be transported by Colombian vessels is being eased.

But Colombia is far from being a model member of Gatt. The variation in tariff rates remains huge, ranging from zero on a few products to 200 per cent on cars.

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PARTICIPANTS	POINTS
American Airlines	456.5
Singapore Airlines	421.5
British Airways	388.5
Thai International	388.5
Lufthansa	386
Air France	379
Swissair	378
Cathay Pacific	358.5
SAS	330
Virgin Atlantic	320

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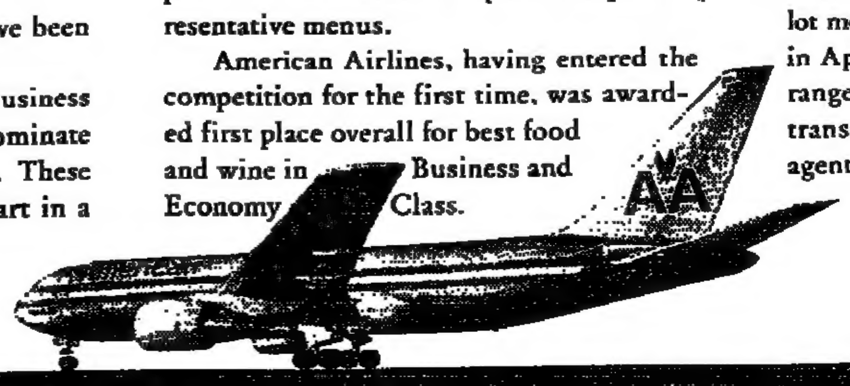

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Shamir critical of Labour over PLO dialogue

By Hugh Carnegy in Jerusalem

AS Mr Yitzhak Shamir worked last night to finalise a new Israeli government led by his Likud Party, he angrily criticised suggestions by Labour politicians that the US should maintain its dialogue with the Palestine Liberation Organisation.

Government ministers have worked hard to persuade Washington to suspend the dialogue, opened in late 1988, following the seaborne assault on Israel by gunmen from a PLO faction late last month.

Senior Likud figures have argued that the attack proved the PLO has not forsworn terrorism – a stated condition for Washington's links with the organisation – and that it should be excluded from any moves towards Middle East peace talks.

Yesterday in Baghdad, the PLO executive committee criticised "certain American circles" for trying to stop the dialogue, but gave no indication it would issue the outright condemnation of the boat attack that Washington wants.

In an interview, Mr Binyamin Begin, a Likud member of parliament, sharply criticised the US failure to cut off the dialogue quickly. "What kind of signal does it send? It sends the wrong signal – that terrorism pays."

But some Labour politicians voiced the opposite view. Mr Gad Ya'acobi, a cabinet minister in the former Likud-Labour coalition, told the Jerusalem Post: "I am not convinced Israel has a real interest halting the ties between the PLO and the US. This will not help us in creating the environment that we need for negotiations between Palestinians in the [occupied] territories and Israel."

Mr Shamir was reported by Israel Radio to be furious with the Labour figures, saying their comments weakened Israel.

US officials are currently investigating the circumstances of the Palestinian raid and the PLO's attitude. No announcement is likely until Mr James Baker, Secretary of State, returns to Washington from his European trip.

The current unconfirmed speculation is that the US may suspend, rather than end, the dialogue. Senator Robert Dole, Republican minority leader in the Senate, who has recently been a strong critic of Israel, said yesterday the PLO had to condemn the raid if it wanted the dialogue to survive.

Last night, Mr Shamir was locked in last minute negotiations for a new Likud-led government to succeed the broad coalition which collapsed in mid-March. He had until today at the latest to tell President Chaim Herzog that he had succeeded in forging an administration.

The President signalled his preference for an emergency Likud-Labour rapprochement to tackle increasing Soviet immigration and electoral reform, ahead of early elections. But by last night Mr Shamir was still pushing for a narrow Likud alliance with small right-wing and religious parties.

● A rocket attack on the Romanian embassy in West Beirut has renewed fears among Soviet and east European diplomats in Lebanon that they will continue to be targeted in retaliation for emigration of Soviet Jews to Israel, Lara Marlowe writes from West Beirut. One passer-by was hurt.

Firm feet in Israel's shifting political sands

Hugh Carnegy talks to two of the most articulate, opposing figures in the Knesset

Behind the three-month-old impasse over a new Government in Israel lies a deep-seated split in the country over policy towards the occupied territories. Two of the Knesset's most *articulate politicians* – Ezer Weizman of the Labour Party, nephew of Israel's founding president, Chaim Weizman; and Binyamin Begin of the Likud, son of former premier Menachem Begin – set out their opposing arguments in separate interviews

DURING the past three months, when Israel's political leaders have haggled and schemed to set up a new government, Binyamin Begin has won plaudits for being a politician who has managed to rise above the swamp of intrigue.

The younger Begin, known as Beni, entered parliament only in late 1988, leaving an academic career as a geologist. His style is modest – he takes the bus to work – and open. But his belief is firm in Eretz Israel – the Land of Israel, encompassing Judaea, Samaria and Gaza, better known outside Israel as the West Bank and Gaza Strip.

At the end of a lengthy interview, he sums up his opposition to conceding a Palestinian state west of the Jordan. "I convinced myself a long time ago that they really don't have a right to establish a state of their own... I am genuinely convinced – not even convinced, it is in my guts – that this land belongs to Jews and that there should not be foreign sovereignty on this part of Eretz Israel."

He acknowledges Palestinian political claims are "genuine aspirations" which cannot be bought off or threatened away. "These people are going to be my neighbours and my children's neighbours for generations and we have to find ways to live together." What is unusual for an Israeli, he is prepared to consider offering Israeli citizenship to Palestinians. But Arab rights to self-determination have been "fully expressed in 22 Arab states".

"Suppose that Israel [withdraws] to pre-'67 borders, what then? I think we would be withdrawing into a vacuum and we would endanger that state of Israel to a point where it would be on the verge of being eliminated – physically. Therefore the real issue is peace in the Middle East, peace between Israel and (Arab countries)."

He points to the emphasis in the Camp David accords, and Israel's 1989 peace plan, on "parallel progress" between achieving peace accords and moving towards a settlement in the occupied territories. Concessions on their own on the latter would risk a "Lebanonisation" of the West Bank and Gaza with the probability that unrest would spread to the sizeable Arab minority within Israel, threatening the integrity of the country.

"They'll say, folks, it's not too difficult: 10,000 rocks, 2,000 molotov cocktails, a lot of TV and you will have at least autonomy and you will demand a merger with the independent Palestinian state."

Israel, Mr Begin says, should be prepared to hold on "as long as it takes" until a Palestinian partner emerges prepared to talk on its terms. He points out that post-autonomy talks on a final settlement offered by Israel do not exclude the demand for independence, even if his party rules it out.

But he is adamant that the partner cannot be the PLO because of its use of terror and its claim to the right of return of exiled Palestinians. He blames the present stalemate on western contacts with the PLO.

"As long as the Arab inhabitants of Judaea, Samaria and the Gaza district have any hope or illusion in their minds that ultimately we will talk with the PLO then they will not be ready to consider alternatives. And as long as western Europe, and especially now the US, sends them that signal... we can sustain a very meagre measure of hope that they will understand."

Begin (left) and Weizman: two routes to ensuring the future of Israel

EZER Weizman looked at his watch. It was almost 11am on June 5. Twenty-three years and three hours before, in 1967, the Israeli Air Force, which he then commanded, launched a devastating strike on the Egyptian Air Force that opened the Six Day War.

"About this time 23 years ago," said Mr Weizman with a smile, "I telephoned my wife and said: 'We won the war.'" The air strike is indeed widely credited as a decisive factor in Israel's victory in which it captured the Sinai peninsula – later ceded back to Egypt after the Camp David accords of 1979 – the Golan Heights, the West Bank, the Gaza Strip and east Jerusalem.

After the war, Mr Weizman believed Israel should not give up the West Bank and Gaza, now the nub of the Palestinian question. When he left the military he joined what is now the Likud party, then led by Menachem Begin.

But after playing a key role in negotiating the Camp David agreements, Mr Weizman's views changed. He crossed to the Labour Party and is now perhaps its most outspoken advocate of negotiating directly with the Palestine Liberation Organisation on ceding the West Bank and Gaza (though not Jerusalem).

"The problem is Israel has reached a crisis because [Menachem] Begin did not follow what he signed at Camp David... he filibustered it. My belief personally is that he did it because he regretted signing Camp David, because he realised that by signing he put the future of Greater Israel up for debate."

Now, he says, so much has changed – not least the advent of the Palestinian uprising 30 months ago – that offering autonomy as an interim step, as Camp David did and Israel's current peace proposal does, will not wash with the Palestinians unless a clear picture is given of a final settlement.

"I believe the solution is to part with Gaza and an appreciable part of the western bank. Once you've come to that conclusion the problem is what sort of status they should have... I am not afraid of not being sovereign in the western bank and Gaza."

Agreeing to a Palestinian state alongside Israel would depend on a series of conditions covering such factors as open borders, strict arms limitations on the new state and peace agreements with Jordan. Mr Weizman believes that Egypt would play the leading role in negotiations, assisted by the US, and, what is crucial, including the PLO.

"All this belief that you can find some (local) leader in Nablus, or Jenin, or Tulkarm is a lot of hooey. Basically they are all PLO. All of them," he says, dismissing as "a lot of hypocrisy" the official refusal to talk to the PLO.

"I would say to [President Hosni] Mubarak [of Egypt]: Call Arafat. He's a son-of-a-bitch and he's a terrorist and he's this and he's that. But as I said before when [the late Egyptian President Anwar] Sadat came here, more Israelis have been killed in wars with Egypt than any terror activity. Whether it's nicer to be shot by a rifle right in the front or stabbed in the back – you argue this in heaven or in hell. The end story is about the same."

This comes with a laugh, typical of the jaunty, iconoclastic Weizman style. But he fears his views are in the minority and warns of "the balloon going up" if Israel does not get into peace talks quickly. "If you ask me what is more likely, hostilities breaking out or peace breaking out, I say hostilities, unfortunately."

Hitachi unveils super-chip prototype

HITACHI, the Japanese electronics company, said yesterday it had developed a prototype 64-megabit dynamic random-access memory (D-Ram) chip, Kyodo reports from Tokyo.

The prototype – which Hitachi says is the first of its kind in the world, making it a front-runner in the race to develop a next-generation memory chip – is capable of holding data equivalent to 256 newspaper pages, or one hour of sound recorded on a compact disc. Commercial production is planned for 1995.

The chips are already available in four-megabit capacity, or the equivalent of about 16 newspaper pages.

Fujitsu and NEC Corp, two other leading chip makers, have announced the development of key technologies for producing 64-megabit D-Rams.

Hitachi has also announced the development of technology that reduces power consumption of D-Rams, paving the way for production of more powerful notebook-size laptop computers that would be powered by a single dry cell.

The technology makes it possible for D-Rams to operate on 1.5 volts of electricity, compared with the five volts now needed.

The sample 64-megabit D-Ram, coupled with the power-saving technology, can be used in high-technology products such as high-definition televisions and ultracompact tape recorders.

US company in Japanese trading probe

By Robert Thomson in Tokyo

JAPAN'S Fair Trade Commission has begun investigating alleged attempts by Master Foods, a Japanese subsidiary of a US company, to stop retailers discounting its products. Master Foods is the second such company to be investigated in recent months.

The commission has been under pressure from the US to crack down on monopolistic activities but, like an investigation under way into Apple Computer Japan for alleged attempts to stop parallel imports, the new case could cause controversy in Washington.

An FTC spokesman said that officers searched 14 Master Foods offices on Tuesday after claims that the company had threatened to stop deliveries of dog and cat food to retailers and wholesalers selling the products at a discount.

In a letter to Japanese retailers, Master Foods in Tokyo denied the allegations and suggested that the commission's investigation would prove its innocence.

During the Structural Impediments Initiative (SII) trade talks, the US has demanded that Japan strengthen the FTC's investigative division and that penalties for breaches of anti-monopoly laws be toughened.

An FTC officer said the involvement of a US-affiliated company had made no difference to the handling of the case. In the eight months to end November the commission has started 140 investigations, compared to 118 in the financial year to end March 1989.

If the claims were proven, the commission would order Master Foods to stop the alleged price maintenance. If that order was ignored, the commission could take legal action for a more formal order.

Tight Kenyan budget puts the emphasis on exports

By Julian Ozanne in Nairobi

PROFESSOR George Saitoti, Kenya's Vice President and Minister of Finance presented a modest but stern budget yesterday for 1990-91 emphasising tight fiscal discipline and more determined export promotion to meet the nation's continuing large budgetary and external deficits.

The concentration on export stimulation, particularly on non-traditional exports, reflects a growing concern among senior government officials, donors and diplomats at the poor export performance which is essential to long-term self-sustainable growth. Last year a record trade deficit of Ksh24.3bn (£630m) was recorded. Imports grew 26.2 per cent compared to a rise in the value of exports of only 7.1 per cent.

Without significant earnings from tourism, estimated at Ksh8.1bn, the current account would be under severe strain.

Prof Saitoti announced a more restrictive fiscal policy, tighter control of monetary policy and inflation (currently running at an annual rate of between 12 and 15 per cent), continued commitment to trade liberalisation, a 5 per cent reduction in import duties on raw materials, intermediate goods and spare parts, and the establishment of a number of export incentives such as the long-awaited export processing zones, extension of the export compensation scheme and the introduction of a Duty Exemption Scheme for inputs.

On fiscal policy Prof Saitoti announced his intention to reduce the budget deficit, currently 4.2 per cent of gross domestic product to 3.8 per cent of GDP by 1991 to free more resources for private sector export activities. Public expenditure, particularly domestically financed projects, the balance between recurrent and capital expenditure and financial indiscipline in the parasatatals (publicly-owned corporations) will be reviewed.

"I want to make it quite clear that the Treasury will no longer honour such parastatal debt obligations without a thorough investigation of the circumstances behind the payment default," Prof Saitoti said.

The Export Processing Zones Bill, which was tabled before parliament during the budget, will offer local and foreign investors a number of incentives to set up for export including a 10-year tax holiday and thereafter only 25 per cent income tax for the next 10 years.

According to the budget the economy grew 5 per cent last year, slightly down from the 5.2 per cent recorded in 1988.

US seeks Mideast stability with arms sale to Saudis

By Peter Riddell, US Editor, in Washington

THE Bush Administration's proposed $4bn (£2.38bn) arms sale to Saudi Arabia is likely to go ahead unless there is an unexpected strong upsurge of Congressional opposition.

When announcing the deal the Pentagon said the equipment would not change the military balance in the Middle East. Congress now has 30 days to veto the move.

The package involves $3.4bn for General Motors – for 1,117 light armoured vehicles, 2,000 TOW anti-tank missiles and 27 155mm howitzers – and $600m for Boeing, to modify five E3 airborne warning and control system (Awacs) aircraft and eight KE3 tanker aircraft.

An earlier $6bn offer to sell 315 M1A2 battle tanks to the Saudis is now in doubt because of a pending US decision to close the factories producing this line of tank.

In its formal notification the Pentagon said the latest sale "will contribute to the foreign policy and national security of the US by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East."

The move comes at a time of particular uncertainty over the US's Middle East policy, in view of conflicting pressures on the Administration's strained relations with the Shamir Government over peace talks and its anger over last week's abortive attack by a Palestinian group on Israel.

There is growing Congressional pressure on the Administration to break the US's near 18-month dialogue with the Palestine Liberation Organisation.

With peace breaking out elsewhere in the world, the Middle East in general and Saudi Arabia in particular are important markets for western arms manufacturers.

Saudi Arabia, which spends more than a third of its budget on defence, has bought about $50bn of weaponry and military services from the US since 1953, but has recently diversified its sources of supply by turning to Britain and France.

Japan should deepen European role

JAPANESE companies need to deepen their commitment to Europe and make their European operations more autonomous of head offices in Japan, Sir Geoffrey Owen, Editor of the Financial Times, said in Tokyo yesterday.

In a speech to members of the Keidanren, the Japanese employers federation, Sir Geoffrey said most people in Europe welcomed Japanese direct investment. However, there was also a more hostile view, held by some within national governments and the European Commission, that Japan had targetted high-growth, high-technology industries and was determined to achieve world domination in them.

According to that view, Japanese investment had been designed to get round anti-dumping duties or voluntary restraint arrangements, and had been of little benefit to the European economy.

In order to counter such thinking, Sir Geoffrey said, Japanese companies needed to show deeper commitment to Europe and to demonstrate that their investments in European manufacturing had a genuine economic rationale, and were not simply political.

"They need to be open about their operations and their plans. They need to develop close relationships with their suppliers, seeking to transfer technology to them. They need to promote European managers to the most senior positions," Sir Geoffrey said.

A more fundamental approach to countering anti-Japanese attitudes would be the promotion of the quality of life within Japan, for example in housing, and willingness to promote higher levels of import penetration, especially in uncompetitive sectors of agriculture.

Sir Geoffrey said Japan's market economy and technology were admired throughout the world, but the full integration of the country as a leading force in the world economy was still awaited.

Sir Geoffrey was in Tokyo for the commencement earlier this week of printing the Financial Times in Japan.

US orders more flights for citizens in Liberia

By Our Foreign Staff

THE US ordered more charter flights yesterday to evacuate its citizens from Monrovia as rebels closed in on the capital and Liberians prepared for a bloody end to what is already a bitter tribal feud.

The US embassy in the Monrovia said it wished to announce that "because of the deteriorating security situation and the potential threat to lives, all Americans are strongly advised to depart the country immediately".

The embassy estimates about 1,200 Americans remain in the West African country.

Rebels of the National Patriotic Front of Liberia led by Mr Charles Taylor, a dissident businessman, who the US says is trained and backed by Libya, have taken over the world's biggest rubber plantation at Harbel and are within 30 miles of the capital.

President Samuel Doe's army is disintegrating under the rebel attacks, which have demoralised government soldiers.

Mr Taylor's forces, with backing from the Gio and Mano tribes from northeastern Liberia, are fighting President Doe's army dominated by the Krahn tribe.

A US Embassy employee said three chartered commercial aircraft would leave from a downtown airfield on Sunday.

Rebels claim 1,870 troops

ETHIOPIAN rebels yesterday claimed they killed 1,870 Government troops in two days of fighting early this week near a strategic town north of the capital, Addis Ababam, AP reports.

The Ethiopian People's Revolutionary Democratic Front, in a clandestine broadcast, said 1,990 soldiers also were wounded in the battles south of Dessie, the heavily defended capital of Wollo province.

The front is a combined force of the Tigre People's Liberation Front and the Ethiopian People's Democratic Movement, a much smaller group.

The broadcast, monitored in Kenya's capital, Nairobi, said the fighting took place on Sunday and Monday about 87 miles north of Addis Ababa.

Both the rebels and President Mengistu Haile Mariam's government claimed victories in the same area last week.

Claims cannot be verified since the war zone is generally inaccessible to journalists and other independent witnesses.

If the claim the rebels made is true, the insurgents are only six miles south of Dessie. The town strides the junction of a major road northeast to Ethiopia's second Red Sea port of Assab. Dessie is also the main depot for emergency food being distributed to famine victims in Wollo and Tigre provinces by a consortium of three local churches.

The food is trucked from Assab, the only port in government hands. Since the fall of Massawa, Ethiopia's only deep-water port, all donor supplies for an estimated 4.5m people threatened with famine mainly in Tigre and Eritrea have been diverted to Assab.

Phnom Penh visit planned

By Stefan Wagstyl in Tokyo

JAPAN IS to continue efforts to try to secure peace in Cambodia by sending a former foreign minister to visit Phnom Penh.

Mr Hiroshi Mitsuzuka will be the first senior Japanese politician to visit Cambodia since before the civil war started in 1979. Tokyo has no diplomatic ties with the Vietnam-backed government in Phnom Penh as it recognises the government-in-exile of Prince Norodom Sihanouk, leader of a coalition of resistance forces.

Mr Mitsuzuka is planning his visit in August, at the invitation of Mr Hun Sen, the Cambodian Prime Minister. This follows talks held in Tokyo between Prince Sihanouk and Mr Hun Sen, which ended in an agreement on a voluntary cease-fire. However, the pact was not signed by leaders of the Khmer Rouge, the Chinese-armed communist group which has the strongest force in Prince Sihanouk's coalition.

Mr Khieu Samphan, the Khmer Rouge leader, came to Tokyo but boycotted the talks.

Mr Mitsuzuka's visit shows that Japan, which is trying to develop a political role commensurate with its economic might, has not been discouraged by the failure of the Tokyo meeting to secure a meaningful agreement.

In improving relations with Phnom Penh, Japan is risking antagonising China, which is opposed to Mr Hun Sen's Government.

Taiwan reserves raise questions

By Peter Wickenden in Taipei

MR Chen Shui-bian of the opposition Democratic Progressive Party yesterday demanded that Taiwan's central bank disclose the whereabouts of the island's huge foreign exchange reserves.

Taiwan's foreign exchange mountain is currently the world's largest at $67bn. The central bank has always been secretive about where, in whose names, and in what currencies the money is deposited, fearing that China might lay claim to it.

Mr Samuel Hsieh, the central bank governor, said the money was deposited in 97 "large" banks, and that 80 per cent of it was in the US.

Philippines changes tack

By Rexie Reye in Manila

A SHIFT in Philippine investment policy – from protectionism to open competition – is expected to be in place in the next few months, Mr Jesus Estanislao, the Finance Secretary, said today in a speech before business leaders.

Mr Estanislao said he was "appalled at the revenue leakage through tax exemptions and privileges" and is determined to do away with these in favour of fair competition. "Protectionism stunts, providing incentives distorts, and the complex system that it breeds becomes fertile ground for crony capitalism," he said.

In this regard, Mr Estanislao is pushing for a system where there will "be no exceptions and, where preferential option can be exercised, government does so in favour of the poor." Thus, it is expected that there will be stricter and clearer limits to tax exemptions and an improvement in trade and investment policies.

Specifically, Mr Estanislao said there will be a simplification of the tariff structure and worldwide pre-inspection of imported goods. He also called for the lifting of a number of import quotas, which affect 60 per cent of the Philippine standard commodity classification lines. They had encouraged inefficient investment and economic activities, and had contributed to the "relatively disappointing long-term performance of the Philippine manufacturing sector", said.

Moscow turns other cheek to North Korea

MOSCOW has pledged continued loyalty to North Korea despite an attack yesterday by its communist ally on Soviet President Mikhail Gorbachev's "traitorous bargaining" with South Korea's president, Mr Roh Tae Woo, Reuter reports from Tokyo.

During a meeting in San Francisco on Monday, Mr Gorbachev and Mr Roh agreed to move towards diplomatic ties. But North Korea's state news agency said: "All facts prove that the talks between Roh Tae Woo and Gorbachev... were an unpardonable, traitorous bargaining."

In Kuala Lumpur, Mr Igor Rogachev, the Soviet deputy Foreign Minister, said Moscow would not abandon Pyongyang and would remain loyal to its obligations.

"When we undertake any actions in north-east Asia, of course we will take into consideration the legal interests of North Korea," he said.

Mr Rogachev added, however, it was time to ease tension in the Korean peninsula and Moscow would back all initiatives to reunite the two Koreas, divided formally since 1948.

India weighs up Pakistani offer for high-level talks

By K.K. Sharma in New Delhi

THE Indian Government is examining a Pakistani call for senior officials to meet this month over tensions between the two countries. The offer was in response to a package of proposals submitted by India last week.

A spokesman for the Indian Government yesterday released some details of the proposals under what he called "confidence-building measures." If acted on by both countries, the initiative could help ease the threat of war that has existed for the past few months between the two countries.

The Indian package does not mention Kashmir as an issue to be discussed between the two sides but it reiterates that the Simla agreement of 1972 should be the basis of relations. The Simla agreement calls for bilateral talks on the Kashmir issue as a final step in improving diplomatic links.

The Indian proposals call for such measures as closing training camps to militants, stopping the supply of arms and ammunition to the camps and the arrest of all potential intruders after seizure of arms.

Other proposals include sharing of information by the two sides on military exercises, frequent communication between army commanders on the borders, joint patrolling of the border, steps to check air-space violations and exchange of military delegations to encourage confidence in respect of military activities in each territory.

The package also asks both countries to respect the "line of control" in Kashmir and not to seek to change it through use of force. The countries should also stop initiating hostile propaganda.

The Indian initiative was taken after diplomatic moves involving the US and the Soviet Union were launched two weeks ago to ease tensions on the India-Pakistan border. This followed a troop build-up by both countries, particularly in Punjab and along the line of control in Kashmir.

Mugabe defiant over strikes

PRESIDENT Robert Mugabe of Zimbabwe threatened yesterday tough measures against striking civil servants, saying the Government would not succumb to their pay and conditions demands, Reuter reports from Harare.

"We are never able to get down on our knees. As a Government, we just cannot," he said at a news conference.

The Government invoked emergency powers on Tuesday to try to stop a strike by thousands of teachers, tax collectors and artisans, and riot police used tear-gas on Wednesday to disperse thousands of striking teachers in central Harare and Bulawayo.

The teachers were defying orders to return to work or be dismissed under laws which bar strikes in essential services.

The Government said the strikers' demands could not be met without breaching strict controls on public spending.

Vice-chairman of Fed quits for academe

By **Anthony Harris** in Washington

THE vice-chairman of the US Federal Reserve Board, Mr Manuel Johnson, announced yesterday that he will resign when his vice-chairmanship expires on August 3. His membership of the Fed itself had nearly 10 years to run.

The surprise decision will free him to take up a new academic post, and to help found the Group of Seven Council (G7C), a voluntary body which aims to clarify policy options in international co-ordination, of which he will be executive co-chairman. Mr Noburo Takeshita, Japanese former prime minister, will be among the honorary chairmen.

Mr Johnson was widely regarded as heir-apparent to Mr Alan Greenspan, Fed chairman, and the former went to great pains yesterday to stress that there was no disagreement between the two men.

In a statement on behalf of the new council, he said: "Both the Volcker and the Greenspan

Johnson: Leaving amicably

Federal Reserve Boards have clearly been among the most successful in the history of the institution. It has been a rare privilege to have been a part of an effort that contributed to an unprecedented period of growth within a climate of low and stable inflation.

"Mr Greenspan has my complete and loyal support," he told the Financial Times.

The two men have worked together closely, especially during the support operations after the stock market fall in 1987, and Mr Johnson has been the Fed's main international representative, attending the monthly Basle meetings of central bankers in place of the chairman. Mr Greenspan paid tribute to his work in a farewell statement, and added: "I will miss him."

His resignation will create a further vacancy on the board, which is already one under strength. This is a White House appointment.

It is thought that Mr David Mullins, just confirmed as the first Bush nominee to the board, may well be the next vice-chairman. He had been Treasury Under-secretary for domestic finance. Mr John Taylor, a member of the President's Council of Economic Advisers, is a possible to fill the new board vacancy.

Mr Johnson has served the US government, first in the Treasury and then in the Fed, for just under ten years. Before that, he taught graduate economics at the George Mason University in Virginia, and he is returning there to head a new department for the study of global markets.

The G7C, in the course of formation, is initally intended to function for a trial 30 months. It will mobilise veterans of international policy discussions and academics to examine policy options and to serve as "a private network for policy discussions" between formal meetings of the Group of Seven industrialised country governments. It will regularly hold a series of small, private sessions on specific problems.

Among those who have already agreed to be members of the executive committee are Mr Anthony Solomon, former US Treasury Under-secretary for international affairs, and Mrs Sylvia Ostry, former head of economics at the OECD and more recently adviser on international trade to the Canadian Government. On the research committee will be Mr Anthony Loehnis, former international director of the Bank of England, and Mr Robert Hormats, a US Treasury veteran.

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Peace eludes Nicaragua as Contras slow to disarm

The 'final' deadline on Sunday for demobilisation of the rebel army will not be met, writes **Tim Coone**

THIS weekend there should be peace at last in Nicaragua. On Sunday the Contra rebel army, founded and supported for more than eight years by the US, should no longer exist.

In their rural enclaves, they are demobilising and handing over their weapons to blue-capped UN soldiers. The guns are then smashed with sledgehammers or cut into pieces with oxyacetylene torches. The Contra chief-of-staff Israel Galeano, said recently: "The process is irreversible. We are going to comply with the agreement. There is no longer any justification for military action."

Like every other agreement the Contras have signed with the new Government in the past two months, however, it will be broken. At the present rate of demobilisation, at least 30 per cent of their army of 12,000 to 15,000 are likely still to be under arms on Monday.

The demobilisation process was to have begun on April 25, the day the US-supported Government took office. Until last week only 1,700 had handed in their weapons. After weeks of procrastination, the Contras demanded further concessions. The Government gave them.

As a result, the Contras will have their own police force in almost 20 per cent of Nicaragua's territory, as well as political representation at municipal level. According to Mr Galeano, their police "could act in any part of the country if necessary".

Comandante Johnny caught in a domestic moment appropriate to his imminent demobilisation

In addition, he said this week that 500 of their troops would remain armed indefinitely for "security reasons" and that an "Ecological Protection Brigade" would be formed, which would also be armed.

The once-vociferous Sandinista leadership, now in opposition, has been ominously silent. Apart from a few editorials in the Sandinista newspaper Barricada, the party has made almost no public comment on recent events, including the assassination of several party militants by right-wing death squads.

Electoral defeat last February sent shock waves through the Sandinista party. What was once a unified collective leadership of nine *comandantes* has become an apparent power vacuum waiting to be filled while recriminations reverberate through the organisation.

Differences are emerging about what the party's strategy should be in opposition. Some favour working with the Government to isolate the right wing. Others favour a more confrontationalist line. The leadership meanwhile appears to be standing back.

Mr Sylvio Prado, a middle-rank Sandinista party official, believed the Government was making "excessive concessions" to the Contras. "With each agreement, the Contras fail to honour it and then seek further concessions in a new agreement. The Government is creating very dangerous precedents."

He said that the Government had asked the Sandinistas to be a constructive opposition "but we have to defend ourselves".

"We are not suicidal, to sacrifice our lives in the name of constructive opposition. It is not a blank cheque for the Government or other sectors to return to the past".

Another middle-level party official was more explicit: "If there are right-wing death squads, there will be left-wing death squads."

If Sandinista passivity is broken it will begin to happen next week. Ex-president Daniel Ortega, just before handing over his presidential sash to Mrs Violeta Barrios de Chamorro, warned: "June 10 will be the last deadline."

The Sandinistas are thus almost obliged to make a show of force soon if only to salvage something of their fading political credibility and to demonstrate that they too can impose their will upon events. Military force and violence will not be the initial option, but there is a growing frustration within Sandinista ranks that the Government is riding roughshod over the Constitution and promising inordinate sums of economic aid to placate the Contras, only to be presented with new demands.

Should the Contras be thinking of presenting a *fait accompli* next week of several thousand troops still in arms and of drawing up a new list of demands or another excuse to suspend their demobilisation,

The Sandinistas are almost obliged to make a show of force soon if only to salvage something of their fading political credibility and to demonstrate that they too can impose their will upon events. Violence will not be the initial option, but there is a growing feeling the Government is riding roughshod over the Constitution

they may well find they have gone one step too far. An exasperated UN Secretary-General, Mr Javier Perez de Cuellar, warned recently that the UN peacekeeping troops in Nicaragua may be withdrawn if the June 10 deadline was not met.

If that should happen, there would be little to prevent a return to a new and, probably, more intensive period of violence.

Business spending thins

By **Peter Riddell**, US Editor, in Washington

US BUSINESS plans to increase its capital spending in real, inflation-adjusted, terms by 5.5 per cent this year, which would be the smallest rise since 1987.

A Commerce Department survey, in April and May, indicates a revision downwards of expected increases in spending on plant and equipment, from the 7.9 per cent figure projected in March.

This follows an 8.9 per cent increase in capital spending last year and fits other indicators of a slowdown in the pace of US economic activity this year. However, business investment, along with exports, is likely to remain one of the most positive influences on overall output as consumer spending remains sluggish.

The detailed breakdown suggest that investment is likely to grow more rapidly in non-manufacturing, than manufacturing, industries.

The Labour Department projected this week a drop in productivity by an annualised 2.7 per cent in the first quarter of this year – the weakest performance since the 1981-82 recession.

Argentina set to meet creditor banks in NY

By **Gary Mead** in Buenos Aires and **Stephen Fidler**

ARGENTINE bank negotiators were expected to meet the main foreign bank creditor group formally in New York yesterday, having made the first interest payment to the banks since 1988.

The payment, said by Argentine officials to be $40m, and the debt talks, follow agreement by the International Monetary Fund to reactivate the country's stand-by programme, suspended in February.

Arrears on the debt date back to April 1988, and now exceed $6.15bn, although some payments were made to banks in October and December that year. Mr Javier Gonzalez Fraga, head of the Argentine central bank, has been in the US for some days talking informally with bankers.

The arrears are likely to prove a significant obstacle to negotiation of a debt reduction deal desired by Argentina. This would be partly financed by disbursements under the IMF stand-by programme. Mr John Reed, chairman of Citicorp, which heads the bank group, said last week he had no idea what a deal with the Argentines would be based on.

Trump casino staff get cards

A SENIOR aide to Mr Donald Trump, the controversial and debt-laden property mogul, yesterday announced the cutting of 350 jobs at the garish $1.3bn (£780m) Taj Mahal casino-hotel in Atlantic City, Alan Friedman writes from New York.

There was widespread speculation yesterday that the job cuts, revealed by Mr Ed Tracy, president of Mr Trump's Atlantic City holdings, would be followed by further redundancies, possibly by as many as 1,500 more.

Mr Tracy contested reports that the Taj Mahal, Mr Trump's third casino in Atlantic City, has generated less revenues than the $1.3m a day it needs to break even. He claimed that when hotel and restaurant receipts were added to casino takings the daily average was $1.6m.

Concern has been mounting about Mr Trump's ability to service debts, including an estimated $725m owed on the Taj Mahal.

Brazil pay freeze decree annulled

PRESIDENT Fernando Collor's sweeping financial adjustment plan in Brazil received its most serious setback late on Wednesday when the Supreme Court ruled unconstitutional a decree which in effect was to freeze wage rises, Christina Lamb writes from Rio de Janeiro.

The unanimous decision followed the government's first defeat in Congress last week over the same measure, which would have allowed the government to prevent labour courts awarding pay increases.

Since he took office in March, Mr Collor has pushed through Congress a series of decrees to give himself broad powers. The defeat was seen as an expression of a feeling in Congress that the president was taking too much from the legislature and giving too little in return.

Within hours of the Congressional defeat, Mr Collor had issued another decree to take the same powers, which the court has now annulled.

Nationwide to make big provisions on bad debts

By David Barchard

HEAVY provisions against possible losses on personal and commercial lending will be announced by Nationwide Anglia, the second largest UK home loans and savings association, *with assets of £26bn* when it publishes its annual results for 1989/90 on Monday.

The provisions, expected to be well over £50m, are likely to include the first general provisions by a large building society – which is a savings and loans institution – on its mortgage lending books. Pre-tax profits for the year are likely to be close to last year's £239m.

Mr Tim Melville-Ross, Nationwide Anglia's chief executive, yesterday declined to say how large the provisions would be. "This is a one-*off general deck-clearing* and house-keeping exercise," he said.

Mr Melville Ross said the underlying trading performance *of the society would* show a steep increase in profitability in line with those of other large building societies, most of which have reported *increases in pre-tax profits of* between 10 and 30 per cent.

This will be offset, however, by the provisions and by heavy losses on the society's estate agency operations, which could be around £20m.

The provisions will cover losses on personal lending, including bad debts from Flex-*Account*, *Nationwide Anglia's* cheque current account, and on commercial lending.

FT/CBI SURVEY

Manufacturing investment 'likely to stagnate this year'

By Rachel Johnson and Peter Norman

INVESTMENT by manufacturing industry will virtually stagnate this year because of the high cost of cap*ital and the* squeeze on corporate profits, an official survey indicated yesterday.

In addition, capital expenditure by the retail, wholesale and motor trades will fall sharply over the next year, it was suggested in the survey of *distributive trades, conducted* by the Confederation of British Industry (CBI) – the employers' organisation – and the Financial Times.

Menawhile, the official Central Statistical Office spring survey of manufacturing industry's investment intentions projected that investment, including leased assets, would increase by 1 per cent in real terms this year.

The small projected increase follows years of strong investment growth – averaging 7 per cent annually since 1986. Total manufacturing investment rose nearly 12 per cent in 1988 and by 6.3 per cent last year, when volumes reached record levels.

According to the CSO, spending this year is expected to *increase to* £12.2bn from £12bn last year at 1985 prices.

Treasury officials acknowledged that the Government's policy of high interest rates *seemed to be causing more* damage to industry than the consumer.

High interest rates were necessary to curb inflation which was "even more damaging," they said.

The CSO survey revealed that direct expenditure is expected to rise by less than 1 per cent this year, while spending on assets leased to manufacturers from the financial *sector could rise by around 6* per cent.

Spending on new building work was, meanwhile, expected to fall.

The food, drink and tobacco, metals and process industries expect to invest less this year *than last*.

The remaining industries expect to invest more – with the biggest increases planned by the chemicals and electrical *engineering industries*.

The CBI/FT survey found that investment intentions in all three distributive trades had weakened considerably *over the past three months and* were now the worst on record since the survey was started in July 1983.

"All three sectors – retailing, *wholesaling and the motor* trades – expect to invest less over the coming year," it said.

Mr Nigel Whittaker, chairman of the CBI's distributive *trades panel, said the planned* cuts reflected slower demand growth and the effect of high interest rates.

Fraud Squad at Dunsdale office

By Richard Waters

SOME investors of Dunsdale Securities, a West End of London investment firm whose sole director is being sought by *the Fraud Squad, had put more* than £1m each into the company, it emerged yesterday.

The firm is thought by liquidators to have taken in more *than £15m, and possibly more* than £30m, almost all of it from friends and relations of its owner, Mr Robert Miller, who has been missing since last Friday.

Mr Miller promised clients a *high return, put variously at 20* per cent to 25 per cent a year, through investing in UK and US government securities.

The large size of some *investments in the firm* became clear as liquidators moved in to its London offices during the afternoon.

Mr Ray Hocking, joint liquidator from Stoy Hayward, said in a statement that as yet he *had been unable to establish* the whereabouts of any of the firm's assets.

However, Detective Constable Trevor Rawlings of the *Fraud Squad said many of* Dunsdale's records had been found.

Stock Group fights off insolvency moves

By Richard Waters

STOCK Group, the stockbroking arm of British & Commonwealth which claims 50,000 private clients, was brought back from the brink of insolvency yesterday following an injection of capital from within the *B&C* group.

The group, with £2.5bn of money under management for clients, was pushed close to the edge of bankruptcy after the appointment of administrators to parts of the B&C group on Sunday.

According to chairman Mr Roderick *Davidson, "a few million pounds" of Stock* Group's capital was caught when adminis*trators of British & Commonwealth Mer*chant Bank froze the bank's assests on Monday. The brokers had their working capital in the bank, along with £65m of their clients' money which has also been frozen.

Without access to its capital, Stock Group fell below the solvency requirements of The Securities Association, which has been keeping a close involvement with developments at the group.

"We were only allowed to carry on trad*ing if we were refinanced or about to be* taken over," said Mr Davidson.

The company had hoped to save itself through a quick sale to an unnamed UK banking group, due to be completed by Tuesday. But as the deadline came and went and the sale collapsed, it became clear that further capital would be needed.

● The headline to a report on the front page of yesterday's Financial Times indicated that Stock Beech had stopped trading. We would like to point out that this referred to Stock Beech Securities, the Stock Group's market making arm, and *not to any other subsidiaries of the group* that bear the Stock Beech name.

BRITAIN IN BRIEF

Malaysia is to consider two versions of the British Aerospace Hawk jet fighter, the twin-seat 100 and the single-seat 200 models, after cancelling earlier plans to buy 12 Tornado fighters.

Lt Gen Mohamed Yunus Tasi, Malaysia's Chief of Air Force, disclosed the options for the Hawk following the Government's acknowledgement that it would abide its 1988 memorandum of understanding with Britain. *The Anglo-German-Italian Tornado aircraft accounted for about* £400m of a planned £1bn-plus package.

Dr Mahathir Mohamad, the Prime Minister, said two weeks earlier that any replacement to the Tornado would be a British fighter because of the memorandum.

Marshall warning on Sizewell cost

Lord Marshall, former chairman of the Central Electricity Generating Board, has warned of yet another potentially embarrassing rise in construction costs at *Sizewell B nuclear generator* in Suffolk, eastern England, currently under construction.

Lord Marshall made the warning in a letter to Select *Committee on* Energy. The Government was last year forced into a humiliating retreat when it removed nuclear generators from the programme to privatise Britain's electricity industry and cancelled plans for more nuclear generators. The Government however has retained its commitment to Sizewell B. A cost overrun would add to pressure to abandon Sizewell B, even though £841m has already been spent.

Gould promises mortgage relief

A Labour government would cut mortgage payments for first time home buyers through new tax reliefs, Mr Bryan Gould, Shadow Environment Secretary, said yesterday.

Bryan Gould: tax moves

Speaking at the annual conference of the Building Societies Association in Brighton, Mr Gould declined to give details of how the new reliefs would operate.

However he stressed that the Labour Party has firmly reversed its opposition in the early 1980s to an increase of home-ownership. "It was not the right-to-buy, but rather the failure to build houses, *which* created the problems [of housing shortages] and it is on that we should have concentrated our fire," Mr Gould said.

Coleridge goes to Lloyd's

Mr David Coleridge, chairman of Sturge, is to be the next chairman of Lloyd's of London, the insurance market, replacing Mr Murray Lawrence who has been chairman for the last three years.

Mr Lawrence had indicated that he did not want to be chairman from the end of this year. He said that a system of self-regulation at Lloyd's was now in place so it was an appropriate moment to hand over to his successor.

Babcock wins power order

Babcock power has won the £35m order to supply the four steam boilers for PowerGen's 900 MegaWatt combined cycle gas turbine station at Killingholme, South Humberside, in north-east England.

Babcock won the order, worth about a tenth of the station's overall cost, against stiff competition mainly from West German manufacturers, and despite the fact that Siemens of West Germany is the turnkey contractor for the plant.

Council blocks Hearts scheme

A £200m project for a large development in Edinburgh's green belt which would have included a new *football* stadium for Hearts of Midlothian football club was yesterday given an icy brush-off by Edinburgh district council. But Hearts said that it made no difference to its controversial bid to take over its rival in the city, Hibernian.

Council leaders said that in principle they did not want development in the area to the west of Edinburgh's bypess which is a green belt area.

Driver ignorant of 'supergun'

Paul Ashwell, the lorry driver accused of transporting parts for an Iraqi "supergun," had never heard of such a weapon before his arrest, he said today.

He had no idea his lorry might be carrying the parts – "otherwise I would not have taken it."

Mr Ashwell, 26, from Northampton, returned to Britain on Wednesday after all charges against him were dropped – the had been held since April in Greece on charges of illegally transporting weapons.

Building societies merge

The Cheltenham and Gloucester Building Society, a home loans and savings association, confirmed *yesterday that it had reached* agreement on the terms of a merger with the Walthamstow Building Society, a London society with only 12 branches.

The proposal will be put to Walthamstow members next month and, subject to confirmation by the Building Societies Commission, is *expected to be effective from* October 31. The C&C, with assets of £9bn, is the UK's seventh largest society. The Walthamstow has assets of *around £350m*.

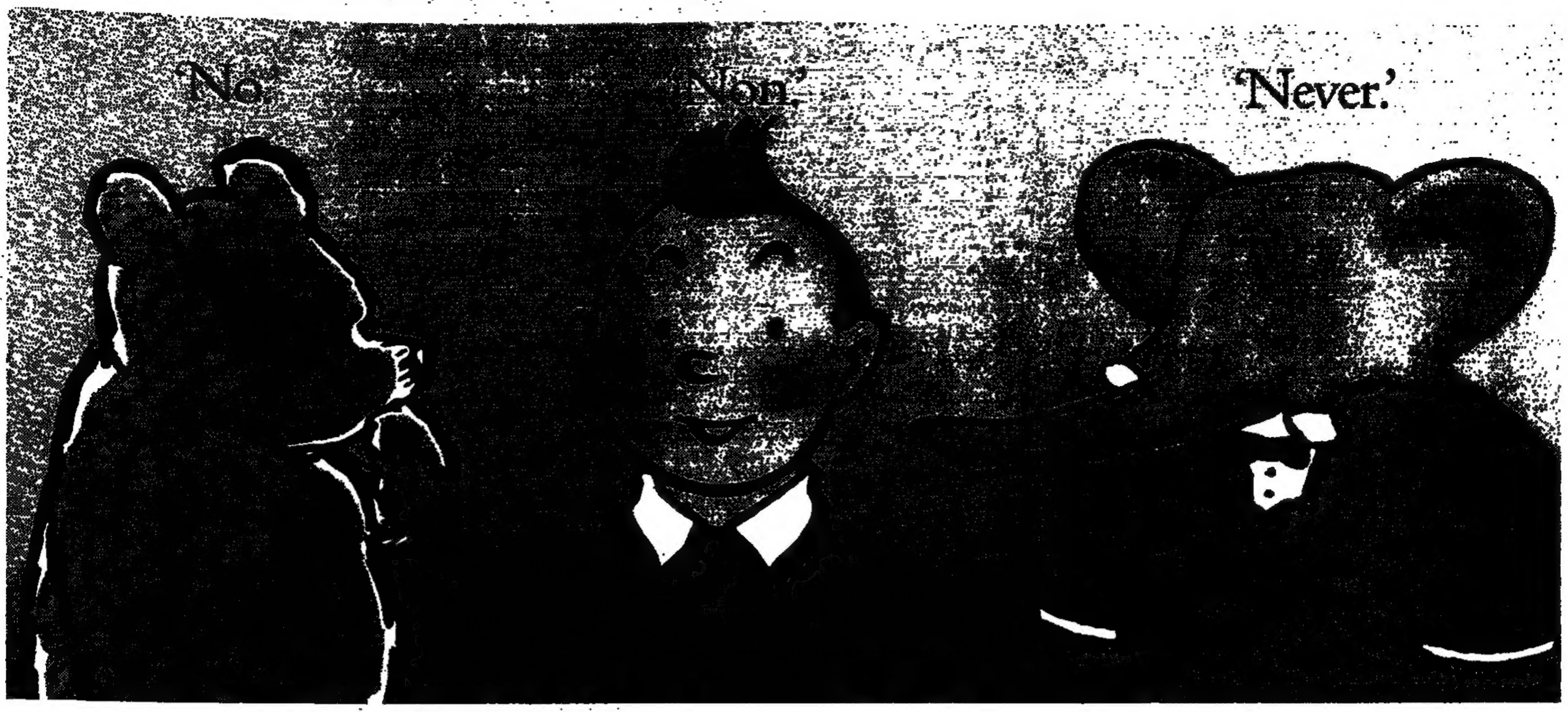
New chairman at SmithKline

SmithKline Beecham, the Anglo-American drugs and consumer goods group, yesterday announced that its pharmaceuticals business – one of the world's five biggest – is to have a new chairman.

He is Mr Jan Leschly, the 49-year-old Dane who was *president* and chief operating officer of Squibb Corporation of the US until its merger with Bristol Meyers, another US pharmaceuticals business, last August.

Mr John Chappell, 53.

Have today's children deserted books for television?



On the contrary, children's publishing has been a boom industry in recent years.

Favourite characters from the twenties have rarely been in greater demand.

Winnie-the-Pooh, Tintin and Babar the Elephant are still delighting thousands of children. Not to mention Methuen their publisher.

Thomas the Tank Engine remains a favourite of Heinemann as well as countless 4-to-8 year olds.

Reed International also takes a childish pleasure in this success.

They own Methuen and Heinemann.

REED INTERNATIONAL IS THE UK'S LARGEST PUBLISHING AND INFORMATION COMPANY. FOR FURTHER INFORMATION RING NICHOLAS JONES ON 071-491 8277.

WORLD STUDENT GAMES

Council blames organisers for financial collapse

By Jimmy Burns

A GROWING lack of financial credibility and an inadequate skill base led to the collapse of Universiade GB, the company which won the contract to organise next year's World Student Games before it ceased trading on Monday with debts of nearly £3m.

These are among the main conclusions of a lengthy report delivered this week by senior officers of Sheffield City Council to the local authority's policy committee.

The report reveals that prior to this week's announcement, the cash flow problems affecting the company had "for some time" been the cause of "serious concern" to the directors and the main financial backers – the City Council, the Sports Council and the Midland Bank.

The company had spent several weeks attempting to secure an injection of additional funds from central Government and other sources but the initiative had been rejected.

According to the report a "vicious circle had been created" within which the "company's loss of credibility as an effective mechanism" had fed and been fed by the unwillingness of potential sponsors to commit themselves to the level of support required.

It recognises the "good work within the company" and "notable contributions by some individual members and teams of staff".

The report concludes, however, that the skill base within Universiade had become "widely regarded as inadequate for the task in hand."

The controlling Labour group of Sheffield Council announced this week that it was stepping in and would eventually run the organisation of the games with the Sports Council.

The report underlines the enormity of the administrative and financial task facing the Council as it attempts to rescue the games, and recommends that the failure of Universiade should not impede a fresh attempt to private sector in the running of the games.

Top of the range cars which might be at the centre of campaigns to maintain sales (left to right): Jaguar Sovereign 3.6; Rover 827sl; Toyota Lexus LS400; Mercedes 300E

Sales of new cars to 'fall by 9%'

By Kevin Done, Motor Industry Correspondent

SALES of new cars in the UK are expected to fall by almost 9 per cent to 2.1m this year from the record of 2.3m reached in 1989, according to the latest forecast from the Society of Motor Manufacturers and Traders (SMMT).

Following record sales for five years in succession from 1985 to 1989, new car demand is expected to remain flat in 1991. Car production is expected to rise in 1991 to about 1.3m helped by growing exports, including increasing output from Nissan's car plant in Sunderland.

The SMMT is confident UK car output will continue to expand strongly during the coming decade to reach 2m units a year in the second half of the 1990s, boosted by production from the Japanese assembly plants in the UK.

Shrinking demand raises fear of price war

John Griffiths finds traders having to offer 'extras' to win orders in a declining market

THIS week, some 1,200 dealers have been trooping into meetings called by UK new car market leader Ford to be briefed on some new weapons the manufacturer is making available to their marketing armoury:

From now on, anyone buying a new Fiesta, Escort or Orion can have a year's "free" insurance. That is on top of zero or low interest finance, "free" breakdown recovery service.

This week's Ford incentives are just the latest in a number of "special offer" moves by manufacturers. All are symptoms indicating that the UK is now firmly into its first new car market downturn for more than half a decade.

The officially forecast drop in total sales this year is to a level, 2.1m units, which a decade ago would have seemed like the promised land to manufacturers and dealers used to the 1¼m markets of the late 1970s and early 1980s.

But the trade and industry have grown accustomed to five successive years of record sales; the decline is more rapid than most expected.

National newspapers and magazines are crammed with car advertisements offering all manner of sales inducements.

They provide mounting evidence of manufacturers' growing anxiety to keep busy assembly plants, the profitability of which is dependent on high capacity utilisation because of the big fixed investments involved.

High interest rates and the squeeze on business profitability as well as private disposable income, mean that all sectors of the market are being affected, from "bargain basement" imports from eastern Europe and South Korea, to the executive and luxury car sectors.

Mr Bob Edmiston, chairman of International Motors, whose imports include South Korean Hyundais, acknowledges that Hyundai dealers have been receiving extra subsidies of £750 a car to help keep up sales momentum in an increasingly tough market.

At the luxury car end, although no manufacturer will readily admit to discounting – because of the adverse affect it has on perceived prestige and resale values – "don't doubt that deals are being done," says the chairman and chief executive of one large distribution group with more than 40 dealerships covering the market from Ford to Rolls-Royce.

The impact on the luxury and executive car market is uneven: Mercedes and BMW sales are holding up well. But Jaguar sales are down by 23 per cent in the year to date; Volvo's executive car ranges are seeing sales 21 per cent down on last year, and similar figures pertain for the executive car ranges of most of the volume manufacturers.

Worst hit is Rover, whose 800 series executive car sales are down by one-third. Only Ford and Audi, still feeling the benefit of model range restructurings, are experiencing a sales uplift in the sector.

With signs that the corporate fleets sector is also slowing its rate of purchase, there is increasing concern that the luxury and executive car sectors might increasingly be sucked into a price war later this year – particularly as new entrants in the field, notably Toyota's Lexus LS400, a rival for Jaguar and Mercedes, begin to compete seriously for buyers' attention.

The increasing rate of market decline – sales were nearly 13 per cent down, on a year-on-year basis, for the second month in a row in May – has left some parts of the industry wondering whether even a predicted 10 per cent downturn might not prove over-optimistic.

The UK market is currently heading into seasonal doldrums as buyers of all types, private and business, delay purchases until August, when the H registration prefix becomes available which is perceived as a status symbol and hence added value.

What happens in August, therefore will be looked at particularly anxiously as a portent for the remainder of the year.

Against this overall background, the UK may possibly witness a return to the "car wars" of the mid-1980s, when a lot of dealers were prepared to give away virtually all their official retail margins, typically around 16-16½ per cent. Instead they relied for profit on new car sales on bonuses from manufacturers for reaching specified sales targets, the producers themselves chalking up seemingly endless losses.

EC considers complaint on pharmaceutical imports

By Peter Marsh

OFFICIALS from the European Commission yesterday heard complaints from UK pharmaceutical traders that they were discriminated against by Europe's big medicines companies.

The UK Association of Parallel Importers (API) was invited to Brussels to give evidence to officials preparing for the introduction of the single European market after 1992.

Mr John Barker, chairman of the association, said large drug companies often used unfair practices to reduce the volume of drug imports into Britain. He said the commission should speed up efforts to institute EC-wide licensing for drugs.

Mr Barker, who met officials at the commission's single-market directorate, said such practices by large companies were in many cases anti-competitive and against free-market principles.

The discussions in Brussels formed part of the commission's efforts to devise new regulations for western Europe's £25bn-a-year pharmaceutical industry after 1992.

Parallel importing of drugs applies to specific formulations made by a single manufacturer in a number of European countries, the price of which often varies because of different pricing regimes in individual nations. After 1992, the European Commission hopes to set up a pan-European registration system for medicines that would increase drug trade.

THE GUINNESS TRIAL

Saunders 'devastated' by decision to send in inspectors

By Raymond Hughes, Law Courts Correspondent

MR ERNEST Saunders said yesterday he had been "absolutely devastated" when he heard on December 1, 1986, that the Department of Trade and Industry had appointed inspectors to investigate Guinness.

The news had been broken to him by Mr Olivier Roux, Guinness's director of finance, Mr Saunders told the jury at Southwark Crown Court.

The events of that day were "really quite a haze" in his mind, he said. "I was in a state of shock."

As a result of concern in the DTI and in the City, new non-executive directors had been appointed to the Guinness board.

Mr Saunders said the only other thing he had thought might have prompted the investigation had been the fall from grace of Mr Ivan Boesky, the US arbitrageur, about which there had been enormous publicity. Guinness had invested $100m in a partnership controlled by Mr Boesky.

Mr Saunders agreed that he had mentioned neither of those matters at a Guinness board meeting the folloiwng day at which he had been asked if he knew any reason for the DTI's action. He had said he did not – because that had been the case – and it had not been a time to indulge in wild speculation.

The Boesky investment had been raised at the meeting by Sir Norman Macfarlane, leader of the new non-executives, Mr Saunders said. "I was shocked by the aggressive way Sir Norman attacked me for making the investment."

Mr Saunders said that he, and the investment, had been defended by Mr Thomas Ward, another director, and, extremely eloquently, by Mr Roux.

Mr Saunders, former Guinness chairman and chief executive, was giving evidence for the third day in the trial in which he and Mr Gerald Ronson, chairman of the Heron group, Mr Anthony Parnes, a City stockbroker, and Sir Jack Lyons, the millionaire financier, deny charges arising from an allegedly unlawful share support operation mounted by Guinness during its battle with Argyll for Distillers in 1986.

Mr Saunders recalled how on February 19 1986, Guinness had heard from the DTI that it was going to be allowed to withdraw its original bid, which had faced a monopolies reference, and make a new offer.

At once "mysteriously from out of the woodwork crawled all these advisers who had disappeared when we were referred and suddenly everybody was waiting for a meeting to discuss what we should do."

Mr Saunders said that Mr Ward had been extremely aggressive, saying they had to go ahead. Mr Roux, an inscrutable person, had been "on the fence." Mr Saunders had telephoned Lord Iveagh, Guinness's chairman, who had urged him to push ahead.

Mr Saunders said: "One of the worries I had was that the problem of coping with Distillers, who were supposed to be our partner in this venture, was becoming a major headache. "It was like dragging a tranquillised rhinoceros along behind us. They were reluctant."

Mr Saunders said he had told Mr Ward, who had been commuting between Britain and the US, that if they were to go ahead Mr Ward would have to spend more time in the UK and take hold of the Distillers situation as well as the inevitable legal wrangles with Argyll.

Mr Saunders said that a new £2.35bn bid had been launched on February 20 1986, and he had resumed a round of intensive political lobbying. He added that Guinness had been engaged in a war with Argyll.

Mr Saunders said the Boesky investment had been suggested by Mr Ward. Guinness had had difficulties in the US and it was felt an investment with Boesky would help it get into the American investment scene. He said he met Mr Boesky. "He impressed me," Mr Saunders said, adding "if I had known then what I now know it's the last investment I would have wanted to make."

The trial continues today.

GOOD MORNING ITALY

THE WORLD WILL BE WATCHING YOU AND PHILIPS FOR THE NEXT 4 WEEKS.

When the XIV World Cup Soccer Championship kicks off in Milan this afternoon, thousands of stadium spectators will be joined by millions of television viewers in more than 160 countries.

Philips will be there too. With TV cameras, lighting, audio and video in many of Italy's World Cup stadiums. And with perfect pictures and sound on Philips television sets in over 100 million homes. By the time the final whistle blows on July 8, the 52 matches will have been played before a global TV audience of no less than 1,500,000,000 viewers. Which makes World Cup 1990 the largest single event in the history of television. And makes Philips proud to be the Official World Cup sponsor and supplier.

WORLD CUP 1990 AND PHILIPS. A BRILLIANT MATCH.

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Many Takare nursing homes provide accommodation for many council-sponsored residents

A solution comes purpose-built

Alan Pike explains how Takare provides for the elderly despite limited resources

Keith Bradshaw's company operates in a market which had its growth potential guaranteed before he was born.

High birth rates earlier this century mean that there will be a substantial increase in the proportion of very elderly people in the population until well into the next century. This is turning the care of the elderly into an absorbing topic both for governments and commercial organisations.

Bradshaw and his partner Deverok Pritchard moved into the private nursing homes market in a modest way in 1979, buying two homes with 23 and 24 beds and appointing a nursing director to run them. Their success then – like that of many other small nursing home proprietors – was equally modest, with unfilled beds and unsatisfactory profits.

But the experience led to the establishment of what was to become Takare plc. The group raised capital through the Business Expansion Scheme in 1986, came to the Third Market in 1988 and gained a full Stock Market listing last year – the first BES company to do so.

In its first full year figures to December 1989 since joining the Stock Market, Takare announced a 107 per cent increase in pre-tax profits to £2.15m – in line with forecasts made at the time of the full listing – and a 59 per cent rise in earnings per share to 18.1p.

But Takare's growth and profitability has not been built around offering Eventide Ritz-style accommodation to the minority of people who have unlimited funds to spend on residential care in their later years. Many clients are sent by public health authorities and the basic source of finance is social security benefits.

Government spending on social security payments to accommodate elderly and handicapped people in private residential and nursing homes has risen from £10m to £1bn over the past ten years.

In spite of this heavy level of public expenditure, proprietors of private residential homes complain that social security benefits are insufficient.

The Registered Nursing Home Association believes there is an average gap of £60 per week between benefit levels and the cost of caring for patients in private nursing homes; it says a proposed £10 increase in income support will have been largely absorbed by inflation by the time it comes into effect in August.

Bradshaw, chairman of Takare, believed he could break through this problem by concentrating on the efficient, cost-effective design and management of residential units.

"Many residential and nursing homes are located in rambling old converted houses which are enormously expensive to run, heat and maintain. We learned from experience that we could finance high-quality care and run a profitable company at income support levels provided we got the accommodation right."

Bradshaw and his colleagues decided that to be efficient, nursing homes had to be purpose-built. They have developed a pattern of single-storey units housing 30 patients in single rooms.

Each Takare location contains three or more such units, grouped around a central services building which provides catering, laundry and other joint facilities. This approach, says Bradshaw, offers the economies which come from running large-scale facilities while retaining the relaxed atmosphere of a smaller home within each 30-bedded unit.

Having the right buildings is one step towards running a successful nursing homes business. Another is the need to maintain high bed-occupancy.

But even with high bed-occupancy, running a profitable business on social security levels of payment became more difficult as inflation rose faster than benefit rates. Bradshaw was convinced, however, that the principle on which it was based – that care in efficient, purpose-built private homes was more cost-effective than in old geriatric hospitals – held good.

He set out to demonstrate this to public health authorities, and persuade them to enter into long-term contracts with Takare to house elderly people. Health authorities began taking places in Takare homes, and last year East Suffolk district health authority became the first to reach an agreement with the company to build and run two homes for its exclusive use. The authority will take all places in the homes, at Ipswich and Stowmarket, under a 10-year contract worth £30m at current prices.

Other authorities have entered into similar agreements with Takare since the East Suffolk one. This month Greater Glasgow health board signed a £35m contract with the company to provide a 180-bed nursing home in six units and Ealing district health authority in London reached an agreement to provide a 120-bed facility for highly dependent elderly patients.

The Ealing agreement is worth £40m at 1990 prices and will run for at least 20 years. Takare will build the home on land leased from the health authority at its Mount Pleasant Hospital site.

Mark Rees, the authority's district general manager, says the development will improve the quality of life for a large number of elderly patients. "I am very pleased that this development will ensure the construction of modern purpose-designed facilities to replace some of our old hospital stock."

Inflation adjustments are built into Takare's contracts with health authorities, ensuring the company's future income levels. Health authorities are able to close down some of their own accommodation for the elderly – while retaining control over admissions policy to the Takare-run homes. And, says Bradshaw, there are considerable cost advantages for public authorities compared with providing accommodation themselves.

Takare's contracts with health authorities foreshadow the Government's proposed approach to the care of the elderly and handicapped now before Parliament in the National Health Service and Community Care Bill. This will require local authorities, which will become the public agencies with co-ordinating responsibility, to make increasing use of the private sector when developing care policies.

"It looks as though we may be in for a period of uncertainty as the new arrangements begin to take effect next year," says Bradshaw. "But I am in absolutely no doubt about the future.

"The demographic pressures will ensure that demand for good-quality, responsibly-managed residential care will grow, and there are going to be increasing opportunities for the private sector to become involved in partnerships with public authorities to provide it."

Chinese look West for change

Norma Cohen on the aims of a UN-funded management development consortium

"WE HAVE never understood the dynamics of change – how to manage change or how to resist it," says Sun Zhenyu, vice president of the cereals and oils division of Cofco, a trading firm and one of China's largest state-owned enterprises.

Speaking like a true capitalist over a grilled breakfast at a London Hotel, Sun says that one of his major challenges was inducing subordinates to carry out organisational changes instituted by senior management. "People have very strong inertia. You're bound to meet some resistance," he says.

Sun is one of 10 leading Chinese industrialists who spent two weeks last month studying British management methods as part of a United Nations-funded seminar. Some of China's best-known corporations – China Silk, Minmetals, and Sinochem - sent officials.

The seminar, funded to the tune of $3.4m, was run by a consortium of three British universities, Keele, Lancaster and Manchester, known as the China Management Development Consortium.

It is designed in the short term to introduce Chinese industrialists to British management principles.

The goal of the seminar, in the long term, is to develop the university teachers responsible for educating China's international business graduates.

The seminar consisted of 10 days of classroom study at the University of Manchester – with time out for a quick sightseeing tour of the Lake District – and visits to several companies to discuss management strategy. The group also spent a week in London visiting corporations to discuss management styles.

Each company official has been assigned a management project, to be completed by August, intended to hone corporate operations. Dissection of the projects will take place in China in August and September when consortium instructors will evaluate the results.

Feng Ruifeng, president of China Pack, one of China's largest commercial enterprises, says that her special challenge has been the successful inauguration of joint ventures. China Pack runs some 300 ventures – with partners inside and outside China – and not all of them successfully.

Interested

While decidedly circumspect about some of China Pack's more disastrous partnerships, Feng says her company needed to improve its ability to figure out which ventures were likely to work and which were not. She was particularly interested in partnership insurance, sold through Lloyds of London, which can protect one party to a venture in the event that the other fails to live up to its side of the agreement.

"There is a Chinese saying that in order to make a partnership work, you have to sleep in the same bed and dream the same dreams," says Feng.

China Pack manufactures a variety of packaging devices, with one of its most successful products a two-can device assembled in Hong Kong.

Feng says that until now her firm has not attempted to assess the suitability of joint venture partners, nor has it tried systematically to gauge whether the venture would accomplish any of its goals.

For instance, the partnership must be capable of selling its goods abroad to earn sufficient foreign exchange with which to repay external bank debt. If the venture has little chance of doing so, there is no point in promoting it.

Also, China is concerned about the number of domestic ventures with foreign partners which call for little more than assembly by low-paid Chinese workers. Feasibility studies would examine whether the venture would incorporate any technology transfer with long-term benefits for China.

Meanwhile, Sun of Cofco has assigned himself the task of figuring out how better to organise his company's market research. "We have a market research department of about 15 people, but their morale is low. They are undervalued." In short, Sun says, the market research team has virtually no contact with customers, and is consigned to making forecasts about demand by reading professional and trade journals.

Instead, it is the trading officials who know what customers want. One strategy, Sun says, might be to have the market research team meet the trading department regularly in the hope of picking up a few tips. However, Sun says, there is likely to be some institutional resistance to this revision and carrying it out will be a challenge.

Similarly, Zhou Mingchen, vice president of Minmetals, says that obtaining information is the prime challenge for his company. Minmetals is often unable to obtain accurate, timely information about the prices of key commodities in various centres, relying exclusively on the London Metals Exchange and Reuters, the news and information agency, for data.

His project, he explains through an interpreter, will be to devise a system for obtaining sensitive price information more quickly and moving it speedily within the company to those who need it first.

Haphazard

While China has wholeheartedly embraced certain capitalist principles in the economic reforms of the 1980s, the application of capitalism has been decidedly haphazard.

Robin Porter, head of the Keele University China Business Centre and a co-ordinator of the seminar, pointed out that China, for instance, has no recognised system of accountancy. Accountancy goes little beyond the work of book-keepers, which makes it difficult for companies to demonstrate their net worth to potential foreign investors.

Porter says that among other projects to grow out of the seminar has been an agreement between the UK's Association of Certified Chartered Accountants and China's University of International and Business Economics to train professional accountants.

Meanwhile, China's leading industrialists found their own management skills sorely challenged by the London underground system. After a day of trying to use tube passes, the group abandoned the system and hired a minibus.

Business courses

Relocation management workshop. June 27-29. Malmesbury, Wiltshire. Fee: £860 + VAT. Enquiries: John Fegan, Facilities Training, Porters North, 8 Crinan Street, London N1 9SQ. Tel: 071-239 7772. Fax:071-278 3613.

Essential employment legislation for supervisors and managers. July 12. London. Fee: £89. Enquiries: Courses Secretary, Mid-Career College, PO Box 20, Cambridge CB1 5DG. Tel:(0223) 880016.

Models for management. June 25-27. Fee: £595 + VAT. London. Enquiries: Susan Lewis, Course Administrator, Marketing Improvements Learning, Ulster House, 17 Ulster Terrace, Outer Circle, Regent's Park, London NW1 4PJ. Tel: 071-487 5811. Fax: 071-935 4839.

First steps to assertiveness. July 13. London. Fee: £95 + VAT. Enquiries: Miriam Dean, Programme Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH.Tel: (0895) 56461 Ext 215. Fax(0895) 811737.

Succession planning for the 1990s. July 11. London. Fee: £264.50 + VAT. Enquiries from: Shiela Ledner, Forum Administrator, Strategic People, 48 Station Road, Chertsey, Surrey KT16 8BE. Tel: 0932-563213. Fax: 0932-567257.

Telecommunications and the European business market. July 11-12. Fee: £632.50. Enquiries from: FT Conference Organistion, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323. Fax: 071-925 2125.

New product strategy. July 5. London. Fee: £276 + VAT. Enquiries: The Strategic Planning Society, 17 Portland Place, London W1N 3AF. Tel: 71-636 7737. Fax: 071-323 1692.

Project management: the critical skills and techniques. August 13-17. Berkshire Fee: £1.750 + VAT. Enquiries Ann Sinclair, Programmes Manager, Monadnock International, 2 The Chapel, Royal Victoria Patriotic Building, Fitzhugh Grove,London SW18 3SX. Tel: 081-871 2546. Fax: 081-871 385.

North sea oil and gas. July 3. London. Fee: £661.25. Enquiries: FT Conference Organisation, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323. Fax: 071-925 2125.

TECHNOLOGY

David Fishlock on the Meteorological Office's plans to market its forecasting services

More weather on the horizon

IF next month is going to be hot, the big food chains would like to know in advance. They want to stock up on salad ingredients, ice cream and cold drinks, and cut back on the stodgier foods such as bread we console ourselves with when the weather is bad.

Retailing these days is very weather-sensitive, says Bernard Herdan, director of commercial services at Britain's Meteorological Office. But the retailers need to be sure that in correlating weather with sales they are not overlooking any outside influences such as special promotions of rival products.

To offer a scientific service tailored for retailers, Herdan has launched Weather Initiative as a business unit. It follows the entrepreneurial style of International Weather Productions, an earlier service set up for airlines, which earns £18m a year from the Civil Aviation Authority, the biggest civil-sector client. Both operate as independent companies with business plans and managing directors.

These companies are the result of a decision to run the Meteorological Office as a business – albeit state-owned – free to invest in any new weather-based ventures it judges could be commercial winners. Herdan, with a background that includes the European Space Agency, is well-qualified for his new task.

Last April the Met Office won "executive agency" status from the Ministry of Defence. This means that for the first time it has a budget of its own, starting at about £100m this year. It is also free to deal with its customers, including the MoD, at arm's length.

Previously as part of MoD it had only a notional budget and no freedom to balance it. "Now if we earn more we can spend more." If Herdan lands a contract that needs investment in new forecasting tools, that investment is made.

John Houghton, director of the Met Office, says he is free to proceed in partnership or co-operative ventures with the private sector. He does not have freedom to make speculate investments on his own, although he did authorise some investment in studios in advance of landing the contract with PowerGen to make the popular ITN weather forecasts.

Selling forecasting services is nothing new for the Met Office. It began in earnest in the early-1970s and has earned £28m from non-Government sources, for such activities as routing airliners and ships to miss storms and minimise fuel consumption.

Its "marine bench" is staffed with retired ship's masters retrained as meteorologists, Houghton says. They are serving a score of seafaring nations, in touch with client vessels every six or 12 hours.

The Met Office also has privately owned competitors and is complimentary about the services they sell to North Sea operators, who need to locate precisely any forthcoming "weather windows" when platforms might safely be serviced, for instance. The private operators have the advantage of being free to tap the national forecasting databases – such as that of the Met Office – without charge and without making the underlying investment in meteorological research.

But the private operators also help confirm that there is an expanding market for specialised meteorological services.

Herdan has inherited about 600 of the Met Office's 2,400 staff, and welded them into "something more like a business", including a sales force, marketing, production, and production development, as well as its own board of directors of which he is chairman. Its first target is to boost sales of commercial services by 10 per cent this year.

● For construction groups and architects, it offers Site Wise, a tailored service that can supply climate information to help with estimates and planning, forecasts to help schedule and warn of bad weather, and data to help analyse site performance or weather-related damage.

The Construction Industry Research Association concludes from a study of 39 sites using forecasts to schedule construction, that the average ratio of benefit to cost is 10 to one.

● For British Rail, it offers a service that includes forecasts of up to five days ahead, and maximum temperature forecasts to warn when rails may begin to buckle.

● For local authorities it offers Open Road, a service that uses rain forecasts from its weather radar and temperature sensors in roads to guide gritting and salting activities. Berkshire County Council – hosts to the Met Office – claims to have saved more than £70,000 in a single winter by not needing to make 10 salting runs on its motorways.

● Weather-in-Vision is the new service launched for ITN. It uses advanced display graphics and plans shortly to broadcast world weather news summaries – Europe, North America, Africa and the Far East. Herdan has plans for a host of new services such as leisure and tourism, by providing weather forecasts to every hotel. For travel agents he is proposing print-outs for clients of weather conditions which they can expect while travelling, including typhoons or other catastrophic events.

Is the logical sequel to this entrepreneurial activity the privatisation of the Met Office, or at least of its civil sector? "I think we'd lose out badly," Houghton says. "Nobody's arguing for privatisation."

In Houghton's view, what makes the Met Office one of the world's leading weather forecasting agencies is the way it is integrated with a substantial Government-financed R&D activity both in support of forecasting and into climate and climatic change. The diagram shows how weather observations are harvested and turned into forecasts for specific classes of customer, using one of the world's most powerful computers, a Cray YMP, and a team of over 100 forecasters organised in shifts to work round-the-clock. Met Office staff move freely between R&D and forecasting.

Commercial operators lack these facilities, but can legally use the results because they are funded from the public purse. The US Government separates R&D and forecasting, with each service arm providing its own forecasting. European governments separate civil and military activities.

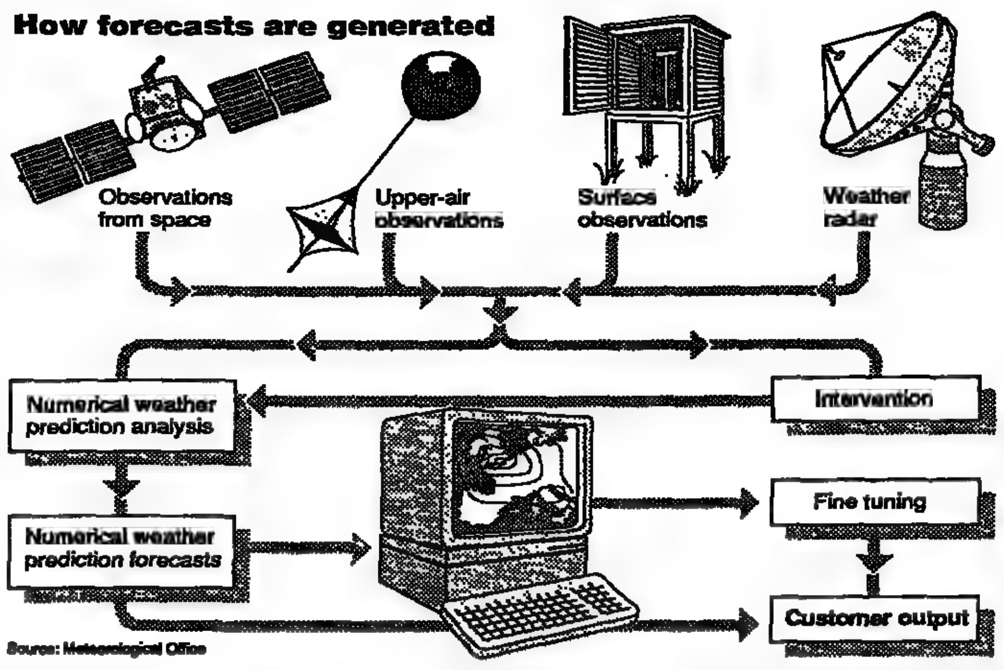
The MoD remains the Met Office's biggest client, bringing in £40m a year and accounting for two-thirds of his forecasting effort. It may be cut to match any cutbacks in defence spending and in overseas bases, but he thinks that greater dependence by Britain on globally mobile forces will mean greater military dependence on his kinds of service.

The impact of commercial forecasting services is currently the subject of much international debate. Increasingly customers for weather forecasting have global interests. Observation – the harvesting of weather data – costs the Met Office about £25m a year, of which £8m is spent on satellite data.

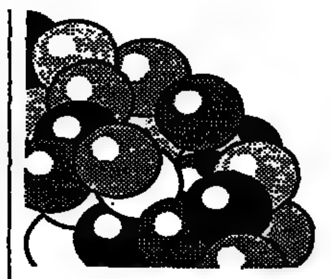
But the meteorological satellite service, which provides both the observations for forecasting and the data for climate research, is elderly and beginning to creak. The coverage is worse than in 1979, Houghton says.

The US, which pioneered the "metsat" service and spends about £200m a year out of more than £300m a year needed to run it, now sees it as unfashionable compared with a man-on-Mars mission. Other nations, including the UK, must face the prospect of paying much more to modernise and maintain the weather satellite service.

How forecasts are generated



Source: Meteorological Office



WORTH WATCHING
Della Bradshaw

Electronic orders for healthy trade

MANY smaller companies recognise the cost benefits of sending their "paperwork" – such as orders and invoices – electronically, but are put off by the high costs of beginning to use the services.

To help cut the expense, International Network Services (INS), the UK electronic data interchange (EDI) company, is offering a service for companies with just a fax machine. The only catch, initially at least, is that the service is dedicated to companies which trade with the UK's National Health Service – be they selling bandages, bed linen or baked beans. However, INS is planning to extend the service to other EDI communities in the future.

The joining fee for Ethosfax, which will enable the company to receive all their orders from the NHS via the EDI network and printed out by their fax, is £600. The next step up, for companies who already have an IBM compatible personal computer is Ethos-PC. For £2,000 the company gets the appropriate software and training to trade electronically with one elected health authority. The price also includes the call charges for a year. Further health authorities, or other EDI subscribers, can be added as electronic trading partners for an additional fee.

Speedy PC takes on workstation

THE distinction between the personal computer and workstation is continuing to blur with the announcement of another high-powered machine for sale at under £4,000.

Moving up-market, Tandon, the business PC-maker, has introduced what it calls a stand-alone personal workstation. It is aimed at customers wanting to carry out computer-aided design work, or complicated spreadsheets.

The company is emphasising the speed of the machine rather than its storage capacity: it can carry out 10.3m instructions per second (10.3 mips). The machine does this through a specially developed technique which handles the memory mapping part of the chip set.

The PCAsl/486, which is manufactured by Tandon in Bombay, is based on the Intel 80486 processor and can run the latest Windows 3.0, MS-Dos or OS/2 software.

Rubbish boards commuter flight

A GIANT computer-controlled vacuum cleaner is being used by Stockholm's Arlanda airport to suck away the debris created by travellers on domestic air flights.

The empty food packages and discarded newspapers are fed into a waste disposal chute which is either installed as part of the passenger loading bridges, level with the aircraft door, or at ground level for smaller aeroplanes.

The chutes lead to a system of large diameter vacuum piping where a high velocity airstream transports the rubbish 1.5 kms to a refuse point on the outskirts of the airport so that it can be separated and compressed.

Designed by Centralsug, of Stockholm, the system is computer controlled to spot any hitch before the vacuum causes any blockage.

Portable printer captures quality

ONE of the problems with using a portable computer is trying to find a portable printer to go with it that produces letters in the same quality type as the laser printer in the office.

Japanese electronics manufacturer Canon has come up with one solution: a bubblejet printer which is slightly larger than an A4 pad, weighs 1.8 kg and is equipped with a rechargeable battery pack.

The print head in a bubblejet printer is filled with tiny nozzles which heat up the ink and then deposit it on to the paper. The BJ-10e, as it is called, produces 360 inky dots per square inch, compared with about 300 dots per inch for many laser printers.

The ink cartridge and the print head are incorporated into one removable unit, so that when the ink runs out, or a fault occurs, the unit can be easily removed and a new one, costing £[illegible]99, easily snapped into place.

The printer will be available in September for £345.

Australian trees waste no water

KILLING two environmental problems with the same stone is the aim of a clutch of Government bodies and private companies in South Australia.

They have planted about 30,000 hardwood trees in the Adelaide area, and are irrigating them with treated waste from the local sewage treatment works.

The aim of the project, which originated from a study of effluent disposal options conducted by several Government departments, including that of Engineering and Water Supply (E&WS), is to provide information on the most suitable type of tree for this type of programme.

Drink cans shows off best sides

IT IS amazing how the little things in life take up all the time – such as turning all the drink cans round on the supermarket shelves to ensure that all the brand names are facing outwards from the packs.

But the overworked supermarket assistant can now spend his or her time more profitably. CMB Engineering, of Oxfordshire, has developed a machine which rotates the cans in the factory after they are packaged in the plastic holder. The machine uses sensors to detect a specific feature on the decoration of the can, and sends signals back to a programmable controller which triggers motors to rotate the cans.

The cans can also be varied so that four out of a six-pack, say, could have four cans prominently displaying the company logo while the other two displayed promotional material, such as a competition or free gift offer.

Contacts: INS: UK, 0532 781020. Tandon: US, 805 523 0340. Centralsug: Sweden, 8 775 32 58. Canon: Japan, 03 348 2121. E&WS: Australia, 08 226 2415. CMB Engineering: UK, 0235 772828.

CONTRACTS & TENDERS

PERSONAL

APPOINTMENTS

LEGAL NOTICES

No. 0823 of 1989

IN THE HIGH COURT OF JUSTICE
Chancery Division
Companies Court

IN THE MATTER OF MARK SCOTT CONSTRUCTIONS LIMITED (IN ADMINISTRATION)
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986

Notice is hereby given that a meetings of creditors and members in the above matter is to be held at The Bull Hotel, Oxford Road, Gerrards Cross, Bucks, on the 15th day of June 1990, at 11.00 am (creditors) and at 12.30 pm (members

(1) To consider my proposals under s/23(1) of the Insolvency Act 1986 and to consider establishing a committee of creditors
(2) under s.14(2)(b) of the Insolvency Act 1986
(3) at the request of creditors under s.17(3)(a) of the Insolvency Act 1986
(4) at the direction of the court under s.17(3)(b) of the Insolvency Act 1986 of the purposes of approving the voluntary arrangement proposed by the Joint Administrators of the above named company.

A proxy form which should be completed and returned to me by the date of the meeting if you cannot attend the meeting and wish to be represented. In order to be entitled to vote at the meeting you must give to me, not later than 12.00 hours on the business day before the fixed for the meeting, details in writing of your claim.

R.M. ADDY
(Administrator)

A copy of my proposals may be obtained from the offices

COOK GULLY
Shelley House
3 Noble Street
London EC2V 7DQ

TRENT VALLEY PRINTERS LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to Section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at the Grand Hotel, Colmore Row, Birmingham on 21 June 1990 at 11.30 am for the purposes of having laid before it the report prepared by the Joint Administrative Receivers in accordance with the said section and, if thought fit, appointing a Committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt due on or secured by a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as a security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the meeting must lodge a written statement of their claims with us at Cork Gully, 43 Temple Row, Birmingham, B2 [illegible]JT no later than 12 noon on 20 June 1990. Forms of proxy which, if intended to be used, must also be lodged with us by that time. Photocopies (including faxed copies are not acceptable).

DATED this 6th day of June 1990

John F. Powell
Joint Administrative Receiver

ART GALLERIES

FINANCIAL TIMES SURVEY

JAPANESE COMPUTER INDUSTRY

Friday June 8 1990

JAPANESE athletes traditionally excel in the triple jump, the Olympic event where spring and stamina combine to enable substantial distances to be covered in three mighty bounds.

It is a potent metaphor for Japan's computer industry, now in the middle phase of a triple jump likely to end with Japan as successful in the world information technology business as it is already in motor cars or consumer electronics.

Its achievements in several categories of computer hardware are already considerable:

■ Mainframes: Of the country's mainframe manufacturers, Fujitsu, Hitachi and NEC, only Fujitsu had more than a 1 per cent share of the world computer market in 1971 (it had 1.1 per cent.)

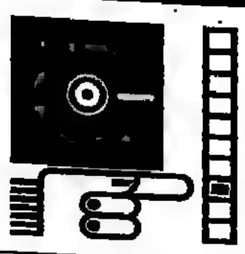
Today, according to the US magazine Datamation, Japanese makers hold three of the top six places in the world league of computer manufacturers. Only International Business Machines and Digital Equipment of the US had greater sales of information systems in 1988.

Other Japanese companies in the world information systems top twenty include Toshiba, Matsushita and Canon.

■ Personal computers: Toshiba is leading a Japanese invasion of the world market for "small footprint" machines, powerful personal computers which occupy only a small space on an executive's desk. While NEC is the leading personal computer supplier in the Japanese market, Toshiba's machines have captured the lion's share of the laptop market in the US and Europe. Laptops constitute 30 per cent of Toshiba's computer business in Japan, but 100 per cent abroad.

■ Peripherals: Epson Corporation, an offshoot of the Seiko organisation, is world market leader in small printers for PC systems. When IBM launched its PC in 1981, it turned initially to Epson for printers in one of the first instances in the computer business of IBM putting its logo on another manufacturer's product.

Against these successes, however, has to be set a general failure on the part of Japanese companies to make headway internationally in minicomputers, workstations or personal computers.



Thirty years ago, Japan decided to create its own computer industry. Today, three Japanese manufacturers rank among the world's top six. In the following pages **Alan Cane** looks at the promotion and progress of the industry, and at its prospects

A bright future beckons

IBM is still the world leader in personal computers with more than 20 per cent of the market, while Apple has about 9 per cent. NEC, Japan's leading personal computer manufacturer, has only 5 per cent of the world market, most of that within Japan.

Japanese software and services companies, moreover, have no international presence. There is no international Japanese equivalent of EDS, the General Motors subsidiary, which manages entire computer installations on behalf of its customers; or Lotus Development Corporation, which wrote and markets the best-selling package 1-2-3.

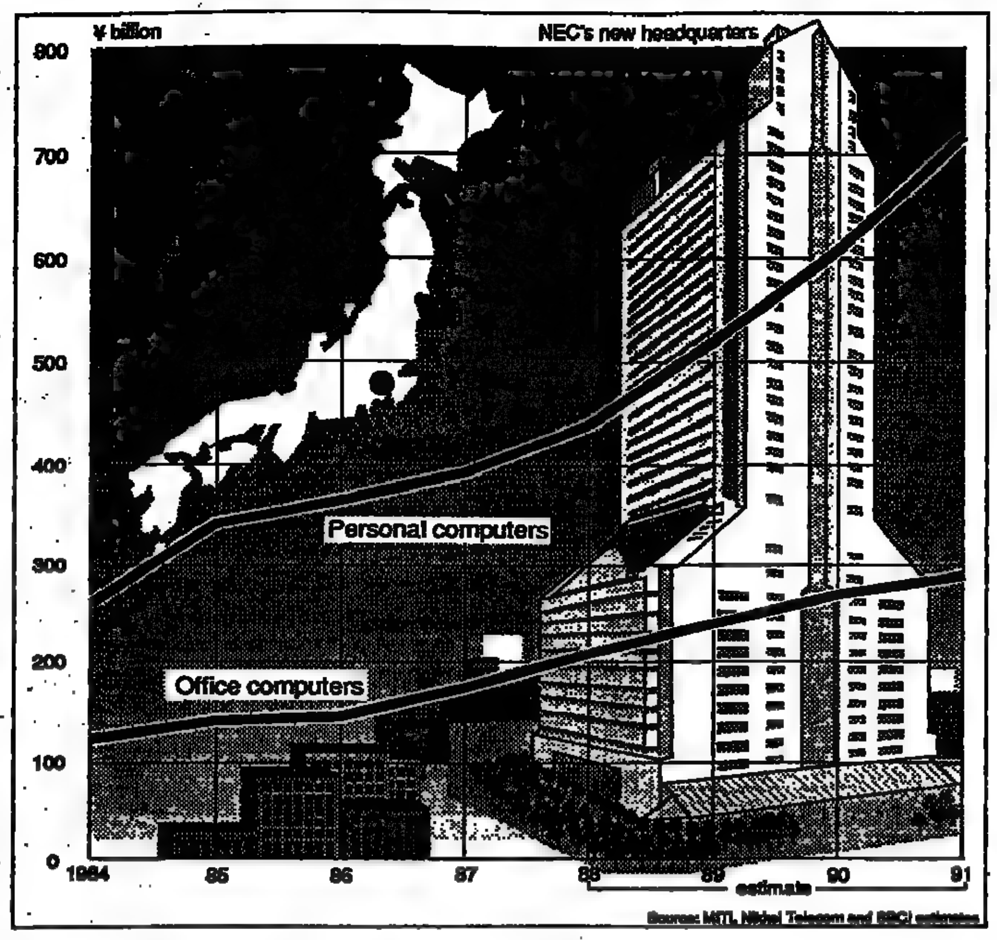
Furthermore, the Japanese industry is facing a significant shortfall in software specialists which could reach one million by the year 2000. Fujitsu, for example, is already contracting programming to the US, mainland China and Korea.

The Japanese computer market is, however, changing fundamentally and in ways which should promote the domestic industry's international competitiveness. The most important new developments are an upsurge in sales of office automation equipment, including personal computers, and a move towards distributed processing and industry standards including Unix, the operating system developed by AT&T, which seems likely to become a world standard for small and medium sized computers.

These developments are in line with developments in the US and Europe where the mainframe market is now essentially mature, and where most growth is coming from the purchase of small computers by businesses breaking into computerisation.

The first and most difficult phase in the development of the Japanese computer industry began in the 1950s. Against the odds, but helped crucially by government support and protection, Japan succeeded over 30 years in establishing a domestic mainframe computer industry capable both of meeting the substantial demands of its own industrial growth and competing on equal terms with the best of the world's computer manufacturers.

Handicapped by a lack of familiarity with Western business practices which made it difficult for Japanese software houses to export applications software, the leading manufacturers created marketing channels to the West by forming strategic alliances with US and European companies. Fujitsu, for example, Japan's largest computer manufacturer, has an equity stake in Amdahl Corporation of the US and has strategic alliances with Siemens of West Germany and ICL of the UK.



NEC formed an alliance with Honeywell of the US in 1962 which led eventually to the company holding a 15 per cent share in Bull HN, the international computer subsidiary of Groupe Bull of France.

Hitachi's mainframes are now marketed in the West by a Hitachi Data Systems, a subsidiary in which EDS has a 20 per cent share.

The current phase in the development of the Japanese industry is characterised by explosive growth of demand in the home market for systems of all sizes, but especially PCs and office systems. In consequence, and partly as a result of international friction over the country's huge positive trade balance in electronics, there is less overt emphasis on exports.

"We do not," an official from the Ministry for International Trade and Industry (Miti), architect of Japan's computing renaissance, said firmly "from a policy point of view, see the export of hardware as important."

Japan is already the world's second largest market for information processing systems. Its worth today is estimated at Y6trillion (£24bn) and it is thought it will be valued at Y16trillion (£11bn) by the year 2000, which gives some indication of the current rate of growth in the industry.

Japan's factories are showpieces of modern technology, but office automation has been slow to develop, and office productivity is low. The use of personal computers in Japan's offices is roughly one half that in Western Europe, and about a quarter of that in the US.

Traditionally, there have been three reasons for this, all of which are yielding to technological advances. First, the use of bulky personal computers has been anathema in Japanese offices for social reasons. They took up excessive space on small, cluttered desks and made social contact difficult.

Second, the Japanese writing system, which uses two sets of syllabic characters plus thousands of Chinese ideographs, has been difficult to computerise – for one thing, it requires two bytes of storage for each Chinese character, compared with one for each Roman character.

Third, Japanese executives have been unwilling to use keyboards.

The development of fold-away notebook-sized personal computers has solved the space problem. Officials in Miti's crowded offices, for example, work with notebook computers on their desks and stow them away in drawers at the end of the day.

The development of high quality liquid crystal screens, in which Japanese technologists lead the world, has made possible the display of Japanese characters on notebook machines.

Finally, Japanese executives are overcoming their reluctance to use keyboards, helped, it seems, by television images of Western executives and financial traders to whom computers are essential tools of the trade.

The result is that while the market for mainframe computers in Japan grew 9 per cent between 1988 and 1989 and is expected to grow only 1 per cent between 1989 and 1990, the market for office computers grew 12 per cent in 1989, and the market for personal computers, desk top and notebook style, 20 per cent.

The dividing line between the second and third phase in the development of the industry, when Japan looks for a new round of conquests in foreign markets, is fuzzy at best. Japanese manufacturers say they accept the importance of industry standard systems such as Unix. Many have already created ranges of Unix machines which will sell in world markets only on price and quality, areas where they have a proven track record.

Furthermore, exports are helped by the establishment of subsidiaries of Japanese companies outside Japan, each of which is likely to use a Japanese computer system to ensure compatibility with head office.

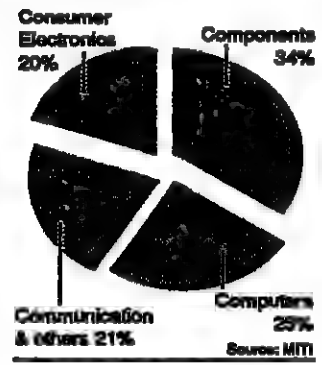
The software question remains, but it should not prove intractable. Triple jumpers need resilience and a long term focus. Japan's computer makers have both qualities in plenty.

In this survey

Mr Takuma Yamamoto, president of Fujitsu: "Importing software may reduce our trade imbalance, but I believe Japan should produce more of its own software"

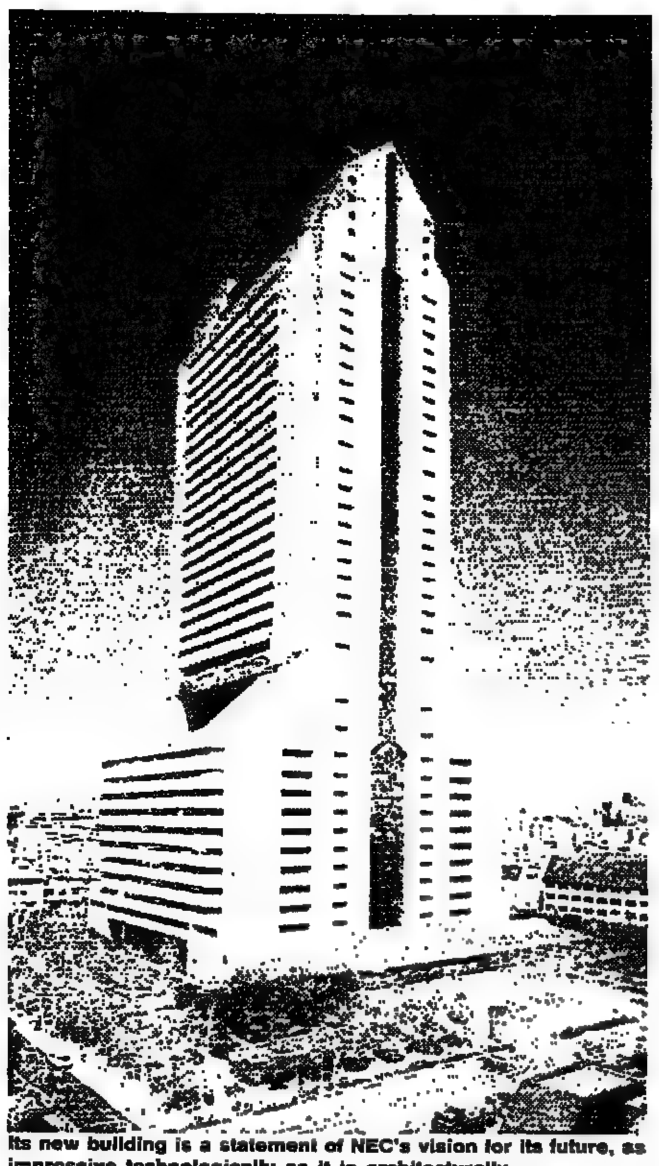
Electronics industries

Production by type.
1988 total ¥20.432 trillion

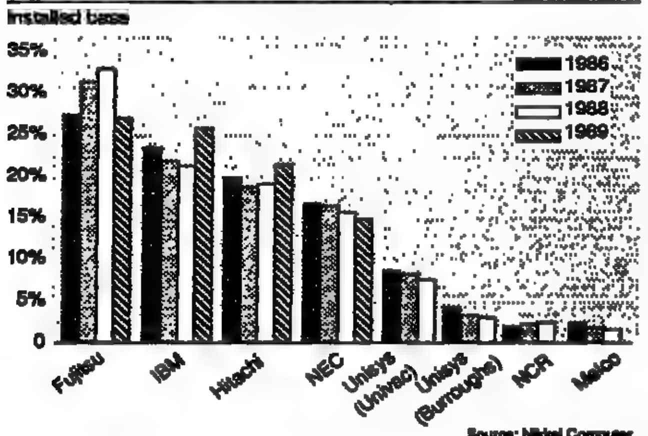


Source: MITI

JAPANESE COMPUTERS 2



Its new building is a statement of NEC's vision for its future, as impressive technologically as it is architecturally



Source: Nikkei Computer

Nobody should mistake NEC's assertiveness for mere bravado

Skyrocketing aspirations

SHORTLY after its formation in 1899, the Nippon Electric Company (NEC) built an advanced manufacturing facility in the Mita area of Tokyo. Today, the factory is no more, replaced by NEC Corporation's new world headquarters, officially opened late last month.

The colossus of a building is more than 40 storeys high, shaped like a space rocket to represent the company's vaulting aspirations. Built at a cost of more than $600m and equipped with electronic systems said to cost a further $1bn, the opulence of the interior design is an indicator of NEC's confidence in its future.

The executive floors are clad in marble, the better to display the company's collection of art treasures. There is a futuristic 42-seat "Decision Room" for the board, with each position equipped with a colour television screen and a sound system which renders audible the slightest whisper anywhere in the room. Among the business tools available to the board is an "executive information system" enabling members to analyse the company's business information – and that of its competitors – in detail. The company's staff is provided with powerful electronic support. Each of the 35,000 telephone extensions is connected to NEC's "Aladdin" computer system: the handset features a liquid crystal display giving access to a wide variety of information as well as a simple messaging system.

On a lighter note, displays connected to roof sensors warn staff when to take their umbrellas against Tokyo's sometimes inclement weather.

NEC can easily afford this investment. It is the world's largest merchant semiconductor manufacturer, fourth largest computer supplier and fifth in telecommunications equipment. Last year total assets stood at $25bn, while pretax profits were just short of $1bn on sales of $23bn. It spends about 10 per cent of sales on research and development in its efforts to stay at the forefront of electronic technology.

NEC's origins are in the telecommunications business. It was established as Japan's first joint venture, with foreign capital participation in collaboration with the US company, Western Electric Company of Illinois. It has been independent since 1932, and announced its first commercial computer, the fully transistorised NEAC-2201, in 1958. Computers and systems now represent about 43 per cent of business.

The company's philosophy of "C&C" (computers and communications), or the exploitation of the synergy between computer systems and telecommunications, was first set out by the chairman in 1977, Mr Koji Kobayashi. Mr Kobayashi is credited as the principal architect of the modern NEC, turning it from a telephone supplier to a vertically integrated business with interests in computers, communications, semiconductors and consumer electronics. He became chairman emeritus in 1987; today the chairman is Mr Atsuyoshi Ouchi while the president is Mr Tadahiro Sekimoto.

Forging an effective alliance between the alien cultures of computers and telecommunications has never been easy. Mr Hiroshi Hatta, general manager of the company's data processing planning division, says that over 10 years the company has experimented with ways of promoting harmony, including the exchange of engineers between the computers and communications groups, and regular meetings of a trouble-shooting committee.

NEC today makes a full range of computers, from the massive SX-3 supercomputer with a processing power of 22bn floating point operations a second, said to be the fastest in the world, to the diminutive PC 9801T laptop personal computer. With about 50 per cent of the market, NEC is the undisputed leader in personal computers in Japan, but it faces fierce competition from Toshiba in the important new category of "notebook" PCs.

Toshiba has had significant success in the US and Europe with its laptop and portable machines, and claims market leadership in notebook computers in Japan. Now NEC is ramping up production of its notebook range from 240,000 to 380,000 units a year. These will soon constitute one third of NEC's computer output.

The importance of vertical integration in electronics technologies is illustrated by NEC's research into liquid crystal displays, critically important for portable computers and which Mr Hatta believes will eventually replace bulky cathode ray tubes in all sizes of computer system. The PC9801T uses a new technology, called thin film transistor, which makes possible the bright, full-colour screen display.

NEC believes in setting its own technological standards. Its mainframe computers, the Acos series, are incompatible with IBM, uniquely so among Japanese large machine manufacturers. The intention is to remain incompatible. Mr Hatta argues: "We can do our best for our customers if we remain incompatible. Otherwise, we have to follow IBM in everything."

The company's principal marketing channel to the US and the West for its Acos mainframes is the French company, Bull HN, in which it holds a 15 per cent interest. There are no plans, apparently, to increase the company's stake in Bull HN, but Mr Hatta says it is discussing marketing Bull products in Japan.

The company does not suffer from a "not-invented-here" complex. In spite of its skills with semiconductors, it recently bought a licence to manufacture high speed microprocessor chips from Mips of the US, and has based a new range of workstations on them. In making the decision, the group reasoned it would be difficult to achieve wide market acceptance for a home-grown chip in the wake of the success of Mips processor and the equivalent Sparc device from Sun Microsystems.

Chairman emeritus Dr Koji Kobayashi: architect of the modern NEC

Observers are taking an increasingly positive view of NEC on the basis of its continued success in the Japanese personal computer market, and the likelihood of it taking a significant stake in the world supercomputer market with the SX-3. They are also bullish about its prospects in Japan's nascent cellular communications market (it is the largest Japanese supplier of communications equipment).

NEC's tower at Mita may lack subtlety but nobody should mistake its assertiveness for mere bravado.

A 1960s technological gamble pays off

Fujitsu success story

FUJITSU is Japan's leading computer maker and the thoroughbred among the country's large machine manufacturers. Alone of the seven Japanese companies which elected to go into the computer business in the 1960s, it staked everything on its ability to succeed in the field, depending principally on its own technological resources.

Today, only IBM and Digital Equipment of the US beat Fujitsu in annual world sales of information processing equipment. In 1989, total sales were Y2,550bn ($16.14bn), an increase of 7 per cent over the previous year. Of the total, computers and data processing systems accounted for Y1,690bn or 66 per cent.

The gamble, thus, has succeeded spectacularly.

Mr Takuma Yamamoto, Fujitsu president, who is credited with speeding Fujitsu's development as a global computer manufacturer through an ambitious programme to expand overseas manufacturing facilities, attributes the company's success to two former Fujitsu presidents, Mr Toshio Ikeda, a "genius of an engineer," and Mr Kanjiro Okada, who headed a crucial government committee which in 1966 urged that: "A majority of computers in use in Japan must be domestic models. Moreover, two thirds of these domestic models must be developed in Japan." It was Mr Okada's vision of the future importance of the computer industry which set the company on its present course.

Fujitsu started life in 1935 as Fuji Tsushinki (Fuji Telecommunications Equipment), making Siemens switching equipment. It completed its first computer, the Fujitsu Automatic Computer or Facom 100, in 1954. Based on electronic relay technology, it was funded through a Miti (Ministry for Trade and Industry) programme for "mining and industrial research." The Fujitsu board was understandably cautious about the prospects for the nascent Japanese computer industry.

It was the arrival of Mr Okada in 1959 that committed Fujitsu irrevocably to computers. He sidestepped the advice of the old guard and appointed computer specialists to important positions in the company.

In those early days, Fujitsu avoided technical collaboration – such as the 1962 link-up between NEC and Honeywell – with Western computer companies. However, in the 1970s it forged a link with the US computer engineer, Mr Gene Amdahl, formerly a senior designer with IBM, which was to change the shape of the industry.

Mr Amdahl played a leading role in the design of IBM's 360 series mainframes, which, launched in 1964, quickly became the de facto industry standard. IBM's current 3090 series mainframes essentially follow System/360 architecture.

By 1970, Fujitsu and the other Japanese manufacturers were finding competition with IBM increasingly hard. The US company had a substantial technogical lead, and its software would not run on Fujitsu's computers, handicapping Fujitsu's export potential.

The company decided the only answer was to develop IBM-compatible machinery. Joining with the Amdahl Corporation was a serendipitous short cut to realising its strategy.

Mr Amdahl, who had left IBM after policy disagreements, believed he could exploit the latest semiconductor technology to build IBM-compatible machines that would be both significantly cheaper and more powerful. However, he found it difficult to raise the necessary $40m in venture capital. And so it happened that in 1972 Fujitsu bought 24 per cent of the equity in the Amdahl Corporation in exchange for technical know-how. In 1974, Fujitsu agreed to produce computers in Japan to be marketed by Amdahl in the US.

From 1972 to 1976, according to Marie Anchordoguy in Computers Inc (Harvard University Press, 1989), Fujitsu put a total of $54m in capital and loans into Amdahl.

The payback was considerable. Sales of IBM's 370 series machines tapered off in Japan, and new buyers turned to Fujitsu's compatible M-series machines, which were priced some 15 to 20 per cent lower than the IBM equivalent.

The link with Amdahl was welcomed wholeheartedly neither by Miti, which was concerned that the company might become too dependent on US technology, nor by the US computer industry, which was already beginning to see the threat from the east.

From 1972 to 1976, Fujitsu put a total of $54m in capital and loans into Amdahl

The row was nothing compared to the political storm which blew up in 1981 when Fujitsu tried to buy a controlling share in Fairchild Semiconductor. That deal collapsed after Washington gave it the thumbs down.

Today, a survey in the computer journal Nikkei Computer indicates that Fujitsu has 23.5 per cent of the overall Japanese computer market by value, and 29.2 per cent by volume. IBM Japan has 21.5 per cent by value and 21.2 per cent by volume. Some 33.5 per cent of Japanese companies use Fujitsu machines, compared with 22.2 per cent for IBM and 21.3 per cent for NEC.

While it holds second place in the PC market, Fujitsu has only a quarter of NEC's share of the Japanese market for personal computers. One of the strings to Fujitsu's bow in its striving to improve this situation is its FM Towns domestic/business PC which features a built-in compact disk read-only memory. This is indeed attracting a lot of attention.

Fujitsu makes computers of all sizes, from the VP-200 series of supercomputers (it is market leader in supercomputers in Japan, with 49 per cent of the market compared to only 9 per cent for Cray, the US-based world market leader) to the profusion of notebook-sized personal computers lined up in the Fujitsu Plaza showroom in its plush building in the business area of Tokyo.

Its subsidiary, Fanuc, is the world's leading producer of automated manufacturing systems; while its semiconductor division is thought to be the world leader in application-specific integrated circuits.

Fujitsu's expertise in semiconductor technology was behind its strategic alliance with International Computers of the UK in the early 1980s, through which Fujitsu fabricates semiconductors to the UK company's design. Mr Yamamoto said recently that Fujitsu was anxious to develop its association with ICL, perhaps to the point of taking an equity stake in the company: "If there is a chance, then we would consider it," he said.

Fujitsu has alliances with Siemens of West Germany, to which it supplies top-end mainframes; and the telecommunications company, Telephonica, of Spain.

The company makes no bones about its ambition to be the world leader in information technology, and its research activities bear witness to its technical skills. Its achievements include the world's first general purpose analogue microprocessor chip, a microprocessor designed to behave in a way analogous to the human *mind*.

Mr Gene Amdahl: His connection with Fujitsu was to change the face of the industry in Japan

Neural computers are thought to be a key to developing a machine with human-like attributes, including speech and pattern recognition.

More prosaically but, for the time being, more importantly in commercial terms, Fujitsu has take giant steps forward in the development of mainframe operating software. Just over a year ago, it agreed to pay IBM $396m to resolve a dispute over its use of IBM-operating software.

The deal, masterminded by Mr Yamamoto who refuses to give details, gives Fujitsu early access to new developments in IBM software.

The irony is that Fujitsu may have already passed the point of any such technological dependance.

PROFILE - HITACHI: Where interests range from nuclear power plants to vacuum cleaners

Big plans are afoot for computer systems segment

COMPUTER systems are a minor but fast growing and significant segment of the business of the Hitachi Corporation, one of Japan's largest companies, the interests of which range from nuclear power plants to vacuum cleaners. Computers' importance to the company is out of all proportion to their place in the profit and loss account.

In 1989, sales totalled $48.5bn, 32 per cent of which came from what the company describes as information systems, communications and electronic devices – everything from computers and telephone exchanges to analytical instruments and medical electronics equipment.

By 1992, the company's sales plan dictates that more than 50 per cent of the company's revenues should come from computers, communications and electronics.

Only about 10 per cent of sales came directly from computer systems, but Hitachi's strength lies in high-end mainframes where profit margins are still generous, even if the market is growing less rapidly than segments such as office computers or workstations.

Customers include major Tokyo financial institutions such as the Tokai Bank and the Sanwa Bank, and the financial sector has been the key to the company's domestic success.

Hitachi officials say computer sales will be just over Y1,000bn (about $7bn) this year, with average growth across all product categories of more than 15 per cent.

Hitachi, like Mitsubishi and Toshiba, started as a manufacturer of heavy electrical products before expanding into domestic electronics and, more recently, semiconductors and computers.

By 1992, the company's sales plan dictates more than 50% of revenue should come from computers, communications and electronics

The company's expertise in semiconductors led to its components being used in Japan's first transistorised computer, the ETL Mark III, completed by the Ministry of International Trade and Industry's Electrotechnical Laboratory in 1956.

By 1960, Hitachi developed a computer used in Japan's first online computer system, the "Green Window" seat reservation service developed for the Japanese National Railways.

Today Hitachi is vying with Fujitsu and IBM Japan for the lion's share of the Japanese market for high performance mainframes. It estimates it has between 20 and 25 per cent of this niche market.

A recently published survey of the market for general purpose computers gives it 18 per cent of the market by numbers of machines installed, compared with IBM Japan's 21.2 and Fujitsu's 29.2 per cent.

But, as Mr Soji Endo, divisional manager for the company's overseas operations division, says, it is becoming difficult to find new customers for mainframes. Most growth in the business comes from upgrading existing installations.

Hitachi has a dual policy with regard to its mainframe operating systems. Within Japan, its M series general purpose mainframes are equipped with its proprietary VOS operating system which effectively locks in customers who are unwilling to spend time and money converting their bespoke applications software to a competitor's machine.

Abroad, Hitachi sells machines which are plug-compatible with IBMs and therefore able to take advantage of the vast libraries of IBM mainframe software used in the US and Europe.

While all the Japanese mainframe companies have marketing agreements with companies abroad, Hitachi has developed a complex pattern of marketing channels to the West.

Its mainframes are sold in the US and Europe by Hitachi Data Systems, formerly a National Semiconductor subsidiary, National Advanced Systems (NAS). In Germany, the UK and a number of other European countries, Hitachi mainframes are marketed by Comparex, a joint venture owned 66.5 per cent by BASF and 33.5 per cent by Siemens, both of West Germany. In Italy and Spain, the machines are marketed by the Italian office equipment company Olivetti.

Hitachi also exports computers under its own name and has established its own overseas support operation. Hitachi Data Systems (HDS) is 80 per cent owned by Hitachi, 20 per cent by the computing services subsidiary of General Motors of the US, Electronic Data Systems.

Plans to sell the European arm of NAS to Comparex fell through last year, leaving Hitachi with two competing sales channels in much of Europe.

It is an arrangement which causes some irritation to HDS and Comparex sales executives, but one from which neither Hitachi nor customers for its mainframes can lose.

Mr Endo says there are no immediate plans to extend HDS's catalogue of Hitachi equipment beyond the mainframes, disk drives and tape systems currently offered, but that that this could happen as the company develops expertise and resources.

At present, HDS has no computer manufacturing operations in Europe, but with 1992 in mind, it is seriously thinking of establishing a European plant, Mr Endo says. The company is, however, waiting to see whether the European Commission uses 1992 to establish "Fortress Europe" before making a move.

It is no surprise that European customers should find the Hitachi name confidence-inspiring. Its machinery has become a byword for quality – Hitachi computers, the joke goes, are tested so rigorously that by the time they are delivered to a customer they are second-hand. Even among Japanese manufacturers, where quality is taken for granted, the "Hitachi Way" means something special.

It was therefore all the more shocking for Hitachi's senior management when some of its US employees were, in 1982, caught pilfering IBM technology secrets after IBM collaborated with the Federal Bureau of Investigation to trap the wrongdoers.

Unremarkable by some standards of industrial piracy, the incident is noteworthy chiefly as an indication of how seriously IBM had begun to take the threat from the Japanese computer makers.

While Hitachi offers a full range of products from the S-820/80 supercomputer to hand-held terminals, the company has traditionally been weak in the smaller systems, with a tiny share of the market for office computers and PCs. It is a weakness the company is striving to remedy through a revitalised marketing and technology strategy.

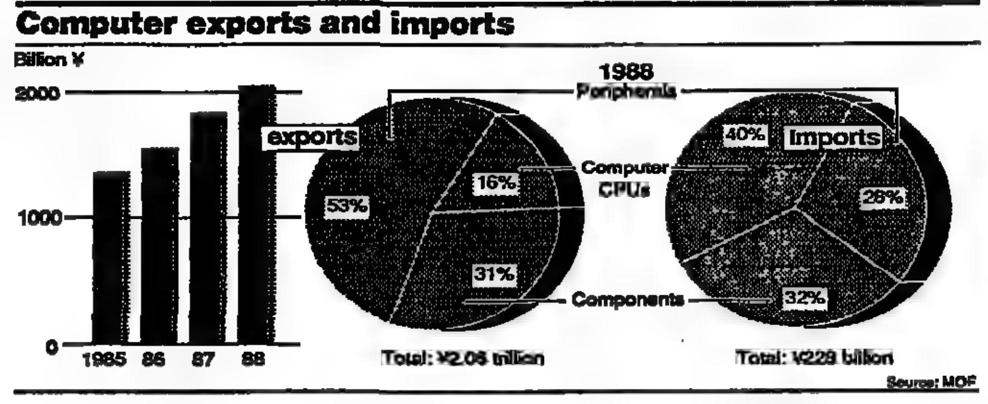
Late last month it signed an agreement with Hewlett Packard of the US giving it access to the American company's reduced instruction set computing (RISC) technology in exchange for Hitachi's semiconductor expertise.

It also supports Unix as an operating system for small and medium-sized machines and, unlike NEC and Fujitsu, is a member of the Open Systems Foundation group, of which IBM is the most prominent player and Hewlett Packard a founder member.

Given the strength of Fujitsu in medium-sized computers and NEC and Toshiba in personal computers, together with competition from other Japanese computer makers, it remains to be seen how successful Hitachi's revitalised efforts in small machines will prove.

It spends about 6 per cent of sales, however, on research and development, and is active in all the areas of advanced computing, including storage technology and artificial intelligence.

Computer exports and imports



A woman holds a Toshiba notebook computer. Information and communications equipment is getting ever smaller: The next generation, says Seiko, will be as small as a watch face

A NEW ERA

Dynamite – in a very small package

EPSON, at 31 years the youngest subsidiary of the Seiko watch and clock group, put on the market in Tokyo this year a laptop personal computer which heralds a new era in small machine functionality.

At a price of around £4,000, it features a full colour, high definition display based on the latest liquid crystal technology. It is probably the most conclusive evidence yet that the days of cathode ray tube (CRT) displays – heavy, bulky and cumbersome – are numbered. Within a few years, Japanese researchers think, liquid crystal displays (LCDs) will be the norm for computer systems of all kinds.

Epson is by no means the only Japanese company which has developed a full colour, high definition display, but it is the first to bring one to market. It is remarkable for the fact that it can be examined from almost any angle and remain clear and visible. Conventional LCDs allow only a narrow viewing angle outside of which the image is lost or distorted.

Epson is best known in the US and Europe as the world leader in printers for small computers, and as a pioneer in laptop computers. In Japan, where it offers a full range of small computers and printers, it is aiming to become a systems manufacturer.

The company's technological strengths come from its parent, now more than 100 years old.

In 1964, Seiko developed a printer mechanism which instantly printed the time as displayed on quartz timepieces, a mechanism which it then used to lead the market for desk calculator printers.

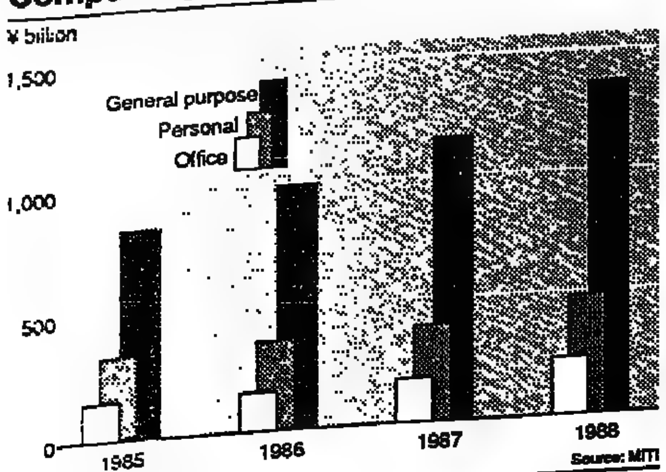
It was one of the first Japanese companies to realise how important printers for personal computers were to become. Its MX, FX and subsequent computer printer models dominated the market when first introduced. Now, according to Mr Susumu Aizawa, its share has fallen worldwide to 60 per cent as other manufacturers have followed its lead.

Its expertise in liquid crystal displays arises out of Seiko's development of the quartz watch in 1969 and the need to develop a simple, display mechanism that consumed little power. Epson now holds 30 per cent of the world market for LCDs, Mr Aizawa says.

The company combined its expertise in the HX-20, a laptop computer it launched in the early 1980s and one of the first of its kind. An engineer by training – Mr Aizawa designed the thermal transfer mechanism in his company's printers – he believes Epson was too early with the laptop concept. The machine was too expensive, and compromised on too many large machine features. As a consequence, Toshiba took the lead in the laptop market boosted by a major order from the US Government.

The company's watchmaking heritage will be evident in a new range of personal information and communications equipment now under development. "These next generation products," Seiko says, "will be astonishingly ultra compact – as small as a mere watch face."

Computer production values



The industry's success is no mere accident: the Japanese Government painstakingly planned the strategy

Carefully orchestrated co-operation and competition

ELECTRONICS engineers working for the Japanese Ministry for International Trade and Industry (Miti) completed the country's first digital computer, a primitive machine based on electronic relays, in 1953.

Less than 40 years later, despite the discouraging combination of the huge financial investment necessary to stay at the forefront of computer development, the substantial commercial risks involved in technological innovation and unremitting competition from US computer manufacturers – including International Business Machines (IBM) Digital Equipment and Unisys – the Japanese computer industry has not only survived but is in vibrant good health.

The Japanese achievement is twofold. Firstly, it has reclaimed its domestic market, beating back and holding at bay the world's largest and most powerful computer company, IBM.

In Japan alone of the markets in which it chooses to compete, IBM has had to yield first place to a domestic company: since 1980, Fujitsu has had larger sales in Japan than IBM. In 1972, Japan was importing eight times as much computing equipment as she exported; today she exports four times as much as she imports.

In Japan alone of its markets, IBM has had to yield first place to a domestic company

Secondly, many of the individual companies which make up the Japanese computer industry, including NEC, Epson and Toshiba, have established themselves as world class players.

It was an achievement made possible by a subtle blend of financial support and market protection orchestrated by the Japanese Government through Miti and Nippon Telegraph and Telephone (which had a monopoly in Japanese telecommunications until 1985).

Miti's plans for a national computer industry which could create a *Hi no Maru* (genuinely Japanese) computer, centred around six companies – Fujitsu, NEC, Hitachi, Oki Electric, Mitsubishi Electric and Toshiba.

Matsushita had plans to tie up with Philips of the Netherlands, but withdrew from computers in 1964 because of the costs and risks involved.

They were small companies in the 1950s. Not one of them made a profit from computer systems before 1980.

Miti pursued a tenacious strategy designed to give the home side maximum advantage while nobbling the competition.

Marie Anchordoguy in Computers Inc* and Martin Fransman in The Market and Beyond** show clearly how Miti achieved its aims by encouraging a judicious mixture of co-operation and competition between home players who had no great interest in competiting in an industry where the risks were high and there was no certainty of success.

There is a tendency in the West to believe in "Japan Inc."

Without government support, the computer companies would have foundered

where individual companies will sink their differences for the common good.

Even if the final result looks that way, it is an inaccurate picture. Japanese companies are cautious and fiercely competitive and Miti had to adopt powerfully persuasive measures involving funds allocation to get its way.

"If they fight against us, they are fighting against common sense" a senior Miti official said mildly.

Key to the plan were measures to reduce the costs and risks of entering and staying in the industry. Anchordoguy notes: "The government agreed to bear part of the high costs and risks of investment in research and development and plant and equipment. Without this government support, the Japanese computer companies would have foundered on several occasions"

The Japanese computer manufacturers today take a less dramatic view, arguing that they would have arrived at their present position without Miti intervention, but that it would have taken longer. Critical elements in Miti's strategy included:

■ Tough tactics which eventually persuaded IBM in 1960 to license its technology to Japanese firms at a low royalty rate.

Fransman reports Shigeru Sahashi of Miti warning IBM: "We will take every measure possible to obstruct the success of your business unless you license IBM patents to Japanese firms and charge them no more than a 5 per cent royalty"

■ The establishment of the Japan Electronic Computer Company (JECC), a little known, quasi-private organisation through which the Japanese Government fed generous loans to its six star players.

JECC is a computer-rental company; between 1961 and 1981, the Japanese government poured $2bn in low interest loans into into the company to help it purchase computers from member firms and rent them to the public at competitive rates (40 per cent less than IBM).

Anchordoguy says: "Through JECC, Miti quelled price wars, rationalised development efforts and spurred the sales of domestic computers".

Miti helped Japanese manufacturers purchase foreign technology and built barriers around the domestic industry, but the way Japanese companies operate is as powerful an obstruction to foreign penetration of the market as any protectionist measures.

Japanese computer manufacturers are members of *keiretsu*, industrial groupings bound together by mutual obligation with a financial institution at the centre. While members of the *keiretsu* were not bound to buy from their *keiretsu* partners, the inclination to do so was certainly there.

Today, the influence of the *keiretsu* is not so marked, and it is likely to diminish further as Japanese companies move to distributed processing involving networks of computers from different manufacturers.

More important has been the way manufacturers and customers work together to solve problems, an approach which is now being adopted worldwide.

Western manufacturers from IBM downwards are realising that their traditionally arrogant, technology-led approach to business has alienated customers and led to a slowdown in sales.

They are turning to a market-driven approach: IBM's model for its efforts to change its corporate pattern has been IBM Japan (IBMJ) where the local company has traditionally had the closest of links with its customers. IBM in Japan is still the leader in top end mainframes, even if it has to give best overall to Fujitsu.

It has been established in Japan, where it manufactures as well as markets, for so long that it is practically accepted as Japanese company, according to Mr Nobuo Mii, general manager for the company's Asia Pacific technical operations.

"Japanese companies talk to their customers practically every day and vice-versa," one observer said. "Feedback from their discussions is fed continually into the development process."

Miti officials and company executives speak almost as often, much to the astonishment of US trade representatives.

However, the heady days of the 1960s in the computer business are unlikely to be repeated. The six stars are big companies now, and less willing to accept Miti's guidance.

Moreover, working for Miti, which has long hours, scruffy offices and heavy work pressures, is no longer the glamour job it once was.

"Miti did a good job and made a great contribution in the early stages," says Mr Mii of IBMJ generously. Now, however, the beneficiaries of its foresight are standing on their own feet and proving they can hold their own in one of the toughest of industrial markets.

The beneficiaries of Miti's foresight are standing on their own feet

**Computers Inc. Marie Anchordoguy. Harvard University Press 1989*

***The Market and Beyond. Martin Fransman, Department of Economics, Edinburgh University. To be published by Cambridge University Press later this year.*

'Nobody wants to be left out,' so diversification rules the game

Supercomputer challenge

THE future of professional computing in Japan, and probably the rest of the world, can be predicted from the crowded shelves of the multistorey electronics stores in the Akihabara district of Tokyo.

Lower floors exhibit well known makes of audio equipment, video cameras and the like, destined for the consumer market.

The upper floors are reserved for business equipment. Lap top, desk top computers and workstations of every description and level of technological innovation are on display. Japan is, at last, taking to the small business computer in a big way.

Competition between domestic makers is, to quote industry analysts, "tremendous". The competitors include well known names in the computer business like NEC and Fujitsu but also consumer electronics specialists like Sony, whose News high performance workstation has been well received.

"People here do not want to be left out," one analyst said "They diversify into every product under the sun.

"The rules for diversification here seem to be different from those that apply in the West."

The consequences are likely to have a dramatic impact on makers of small computer throughout the world.

Now that they have overcome an initial resistance to office automation, the Japanese are applying the same rules of quality and speed-to-market to computing that distinguishes their approach to other market sectors.

Mr Richard Hinder, scientific attache at the British embassy in Tokyo, who has a special interest in the development of the Japanese computer industry, explains the approach. "How would the Briton or the American design a new laptop?

The Japanese are applying their winning policy of speed-to-market to computing

"The marketing department would commission an advertising consultancy to carry out market research and devise an advertising strategy. The technological possibilities would be examined.

"When what people want had been established, the design team out at Bracknell or wherever would put together a nice design. It would all take a long time.

"The Japanese would put together a bunch of 25- to 27-year- old designers and tell them: 'We want a new laptop. Laptops are in this year. You have six months to design it and get it out the door. But you are not going to start on the design for another month. Go and sell laptops in Akihabara. Talk to people. Find out what they want.'

"So the design team would get jobs in the stores with the agreement of the shop management. It is a little like the Rover design team in the UK going to local Rover showrooms in cities throughout the country and selling cars to target customers to discover their preferences and prejudices."

The result is a product well tuned to the intended market. It looks like magic but it is simply applied common sense.

Japanese research and development in computer technology is advancing quickly and effectively. Laboratories are staffed by able researchers equipped with the finest research tools available.

Investment is substantial. One estimate is that the total research and development budget of the top five Japanese technologically-based firms exceed the UK's entire private sector research and development spending. The best firms commonly spend 10 per cent of sales on research and a larger percentage on capital investment in buildings, equipment and new production lines.

The scale of Japanese computing development work is vast by Western standards. At Kawasaki, for example, just outside Tokyo, Hitachi has a building some 30 storeys high where 6,500 programmers work on applications software for Hitachi's customers.

The scale of Japanese development work is vast by Western standards

In the same area, NEC's main research centre is working on technologies for "the day after tomorrow." NEC spends about 1 per cent of sales on this "risky" technology, spread over five locations, including one at Princetown, New Jersey, in the US.

NEC's research at Kawasaki includes work on artificial intelligence and the man-machine interface (human-machine interface, Mr Hirokazu Goto, general manager of the centre's planning division, corrects with a grin).

There is, for example, an electronic conferencing system in development which allows any number of participants to see each other in colour and motion on a multi-window screen and exchange notes and diagrams.

There is also a substantial amount of work in progress on "neurocomputers," computers designed so their operations mimic those of the human brain. The objective is to build machines with some attributes of human reasoning. NEC's Kawasaki computers will add rhythm and harmony to a tune hummed by the operator, and solve complex problems of circuit design.

Research into neurocomputers is widespread among Japanese computer manufacturers in comparison with the West, where it is arousing only lukewarm interest as a possible way forward in commercial data processing.

Neither money nor people are likely to constrain Japanese research and development in the foreseeable future. Some 37 per cent of the Japanese population goes on to tertiary education, most of them in science and technology, compared with less than 20 per cent in the UK. Given that the Japanese population is more than twice that of the UK, there are more Japanese students graduating in science and technology than there are in the whole of UK higher education.

The results of this explosion of research and development are already visible in the marketplace in the shape of NEC's SX-3 supercomputer, a 22 gigaflop machine, said to be the world's fastest.

There are arguments over the status of Japan's claims for its supercomputers but the fact is that NEC, Hitachi and Fujitsu represent the first serious challenge to the domination of the US supercomputer makers for 20 years. Supercomputing was identified by the Ministry for International Trade and Industry in the early 1980s as an important area for development and was instrumental in establishing a collaborative supercomputer project which led, industry observers believe, to faster and fuller development of commercial machines.

Japanese manufacturers' potential to challenge IBM in pure computing power is clear from Hitachi's launch last week of a new mainframe computer range codenamed San Andreas with more power than IBM's current top of the range 3090 600J computer. It may prove to be more powerful than IBM's "Summit" range, expected in 1992. It will not, however, be on sale in Akihabara - yet.

Software only a matter of time, say experts

Stand by for the onslaught

WESTERN computer companies threatened by the flow of quality products from Japan have frequently taken solace in a conviction that the Japanese are poor at software development.

There is plenty of evidence now to the contrary, and industry observers believe it is only a matter of time before Japanese software makes its presence felt abroad.

Software and services companies in Europe and the US may not have faced much in the way of direct competition from Japanese software houses to date, but that is for a variety of reasons, none of which has much to do with basic software skills.

Japanese software companies, for example, have plenty to do keeping up with demand from their home market without looking for work overseas.

There are some 3,700 Japanese software companies, mostly employing fewer than 30 people, and more than 60 per cent of them in the Tokyo area, much to the chagrin of The Ministry for International Trade and Industry (Miti), which is anxious to see the industry better dispersed through the country.

In 1987, total sales were $9.6bn, of which about half came from software development.

Miti figures suggest Japan is already 600,000 programmers short. If Japanese industry continues to expand at its present rate, the country will be short, by some calculations, of one million software engineers by the year 2000. Others argue that the extent of the shortfall is exaggerated, but the fact remains that senior industry executives universally agree that a shortage of software specialists is the biggest problem the industry faces at present. "This is a very serious problem for us," said Mr Takuma Yamamoto, president of Fujitsu. "We do not yet have an effective answer."

The problem is exacerbated by a traditional Japanese reluctance to use packages (generalised software which can be sold to many different users), preferring instead software custom-written to the customers' exact specifications. Some 90 per cent of all the software produced in Japan is bespoke.

By comparison, of all software used in the US, 60 per cent is in the form of packages.

Furthermore, it is difficult, in Japan, to secure funding for package development, the banks regarding such projects as a "ridiculously risky business."

One explanation for the size of the potential shortfall in software specialists is the size and complexity of typical Japanese applications programs, something Mr Yamamoto believes proves that Japanese programmers cannot be criticised for a lack of creativity. A typical banking system might have to deal with close to 30m accounts, a huge number by Western standards. To maintain – that is, to develop and embellish – such a system can keep more than 1,000 programmers at work full time.

Japanese customers typically depend on their hardware vendors for software to a far greater extent than is common in the West. They expect the hardware supplier either to use its own programmers to solve their problems, or subcontract the work to a software house – in either case, without overt charges. The idea of independent software houses working on projects through a direct contract with the customer is uncommon.

It is a pattern which has handicapped the Japanese software industry's effectiveness at home and its ability to compete abroad – but things are changing. According to Mr Bill Totten, an American who is founder and president of the Tokyo-based software house KK Ashisuto: "Japan is in a vicious circle. Its software companies are so busy with custom work that they do not need to make the investments or incur the risks of building software products (packages). So they do not. Consequently few software products are available, and the demand for custom-made software is much greater than it would be if more packages were available."

Mr Totten, whose chief argument is that US package vendors have failed to price or tailor their products adequately for the Japanese market, warns that the Japanese software industry understands its dilemma and is already creating software products that are competitive with the best US packages. "You can bet," he says, "that when the Japanese have secured the surrender of the Japan market, they will build truly exportable products – high quality, competitively priced products built to fit their target markets."

Mr Yamamoto of Fujitsu underlines his point: "Importing software products from abroad may reduce our trade imbalance but I believe that Japan should produce more of its own software products."

Miti is promoting a number of approaches to solving the problem of the shortage of software specialists including:

■ The Sigma project. Now at the end of its first five-year development phase, the Sigma project is an ambitious attempt to promote a general methodology for software development throughout the Japanese software business.

Costing some $100m, its aim has been to develop tools to computerise software production using low-cost workstations and a Japanese version of Unix, the operating system which is becoming the world standard for small- and medium-sized computers. Use of a common methodology can dramatically enhance the productivity of software engineers.

The project was funded half and half by the government and by participating companies. Miti officials say the first phase has been a success, but the large electronics companies, who have only just had access to the new tools are less certain. Mr Hiroshi Hatta of NEC's computer division said he expected to see a return from the use of Sigma development tools from now on.

■ Education and training:

Miti and the Ministry of Labour are collaborating in a joint project to establish 30 local education centres for training software specialists outside the Tokyo area. The idea is to produce a total of 6,000 trained software engineers annually in five years' time, while improving the geographic spread of software specialists outside Tokyo.

■ Package promotion:

Miti is encouraging firms to make more use of packages in an attempt to cut heavy expenditure on bespoke software. All the major US package companies are represented in Tokyo, including Cincom Systems, Computer Associates, Lotus Development Corporation and Microsoft. Mr Totten warns that US manufacturers are paying insufficient attention to quality, and that it will be Japanese packages which prevail.

The UK sent a mission to Japan earlier this year to examine the software business. It concluded that Western firms had little to fear immediately from the Japanese, adding the caveats that executives in the Japanese computer business understood that software was critical to their success and that they operated on distant horizons where market share was prized above profit to begin with.

Their entry to Western markets would be through the "family approach," where a contract with a Japanese hardware company would bring in its wake software deals with Japanese software firms.

The software world is crying out for a new Lotus 1-2-3, a package that sweeps the board with its universal appeal. With their skills at reading the market and innovating, the Japanese could be the authors of the next software revolution.

THE LEADING WORLDWIDE INFORMATION SYSTEM COMPANIES, RANKED BY SALES

Rank	Company	$m	Rank	Company	$m
1	IBM	55.003	11	Group Bull	5.297
2	Digital Equipment	12.285	12	Apple	4.434
3	Fujitsu	10.999	13	Toshiba	4.227
4	NEC	10.476	14	Matsushita	3.441
5	Unisys	9.100	15	Canon	3.392
6	Hitachi	8.247	16	Control Data	3.254
7	Hewlett-Packard	6.300	17	Wang	3.074
8	Siemens	5.951	18	Nixdorf	3.045
9	Olivetti	5.428	19	NV Philips	2.795
10	NCR	5.324	20	Xerox	2.650

Source: Datamation

The Tron concept is realised in central Tokyo in a wood and stone Intelligence House

Designed for the 21st century

JAPAN has become a cornucopia of new computing concepts over the past decade, but two in particular – the Tron system and the Fifth Generation computer project – have caught the popular imagination both at home and abroad.

Tron – the Real Time Operating System Nucleus – was developed by Professor Ken Sakamura of Tokyo University's Department of Information Science, and is a new computer architecture involving novel hardware and software.

Tron chips are being produced by Japanese semiconductor companies including Hitachi, Matsushita, Oki Electric and Toshiba. The Tron TX3 chip, which will be available from Toshiba next year, will incorporate more than 1m transistors.

Now Professor Sakamura, who has become one of Japan's best known computer scientists through his extensive travels to popularise his ideas in the West, has realised the Tron concept in wood and stone. The Tron Intelligent House in central Tokyo is an attempt to create a home of the future where computers, sensors and actuating mechanisms combine to take much of the labour out of living.

'We need this experiment to test the security of systems to be used in the future'

Constructed at a direct cost of Y1bn and indirect costs of Y3bn, it was sponsored by 18 Japanese companies. It is a demonstration both of the power of the Tron operating system to co-ordinate up to 1,000 microcomputers of different sizes, incorporated in 400 separate sub systems, and a test bed for automated life-support systems of the future.

The windows open and close automatically to maintain a comfortable ambient temperature. Glass doors change from clear to opaque at the touch of a switch. There are television screens everywhere. Kitchen equipment includes an electronic recipe book which brings pictures of the dish of the day to a full colour screen over the cooker. It sends messages to an automatic dispensing system, guaranteeing the correct quantities of ingredients are used.

At the other end of the living process, samples of urine and excreta are analysed automatically while the lavatory is used, and the data sent over the telephone line to doctor or hospital.

There have been attempts to paint Tron as a Japanese challenge to Western developed microcomputer operating systems such as Microsoft's MS/DOS and OS/2 or AT&T's Unix, but Professor Sakamura brusquely discounts such suggestions. Unix and OS/2 are operating systems for today, he says, while Tron has been designed for the 21st century. Tron is therefore not competition for Unix and OS/2 but complementary to them.

He points to the fact that AT&T Japan is one of the 140 members of the Tron Association, an organisation established in the mid 1980s to promote the Tron concept.

Professor Sakamura is equally sharp with those who criticise the Tron House as a ghastly, dehumanised vision of the future. His starting point is that soon computers will be used extensively by people in their everyday lives: "We need this experiment," he says, "to test the security and safety of computer systems that will be used in the future."

Separate versions of Tron have been developed for office automation, home automation and industrial control.

Nippon Telephone and Telegraph has decided to use the communications version (CTRON) for switching systems.

Tron was developed without support from the Ministry for International Trade and Industry (Miti). The Fifth Generation Computer Project, however, was Miti inspired and supported, and initially provoked little enthusiasm from the major Japanese computer companies who thought it too risky a venture.

As the project has matured and begun to show promise, however, there has been a change of heart among the eight companies, including Mitsubishi, Oki and Fujitsu, which Miti dragooned into the project.

Fifth Generation refers to computers with a human-like reasoning ability. Today's machines are essentially Fourth Generation, employing powerful semiconductor chips, but based on conventional designs of central processing unit and using conventional programming methods.

Miti officials first began to think about persuading Japanese computer manufacturers to collaborate in the design and development of a computer designed along parallel processing lines and using the techniques of artificial intelligence in the late 1970s.

In a break with tradition they appealed to computer specialists outside Japan to help in the quest for a "knowledge information processing system." They were only partially successful, the principal computing nations treating the request with the suspicion that the Japanese were chiefly interested in picking the brains of their top computer scientists.

However, the realisation that the Japanese were determined to make a success of the audacious project stimulated the development of programs in the same area in the US and Europe, including the UK's Alvey program.

The Japanese computer manufacturers contributed most of the about 100 full-time researchers at Icot, although there has been a sprinkling of foreign computer specialists working at the centre.

Now, roughly a decade after its inception, the Fifth Generation Project is beginning to prove that it is worth the Y50bn that has so far been spent on it.

Its list of achievements includes, for example, the development of the world's first personal sequential inference machine, which is used for programming in logic languages, and a relational data base computer called Delta.

Miti officials also announced that this month, researchers from Japan and the US will begin work on applications software for the prototype machine.

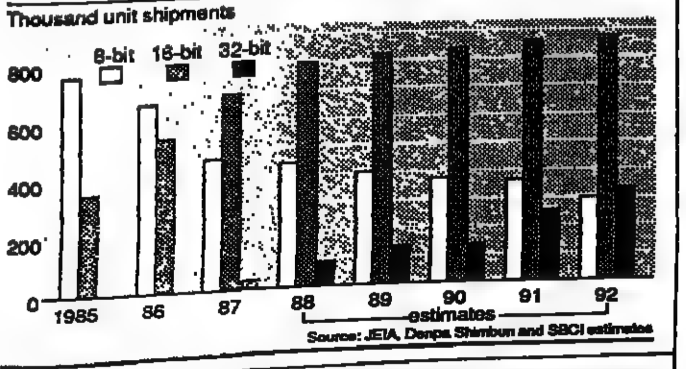
So far, researchers at the Fifth Generation Icot (Institute for New Generation Computer Technology) centre have developed a machine in which 64 modules are linked together. By early 1992, a prototype parallel processing device incorporating 1,000 modules is expected to be completed.

The Icot machine in Tokyo will be linked to the Argonne National Laboratory in the US by telephone lines. The researchers will be working on software for the analysis of human genetic material, Miti said.

There is a diversity of views over the contribution Icot has made to the development of machine intelligence and the "thinking computer," but most observers agree the project has achieved more than could have been anticipated at the outset.

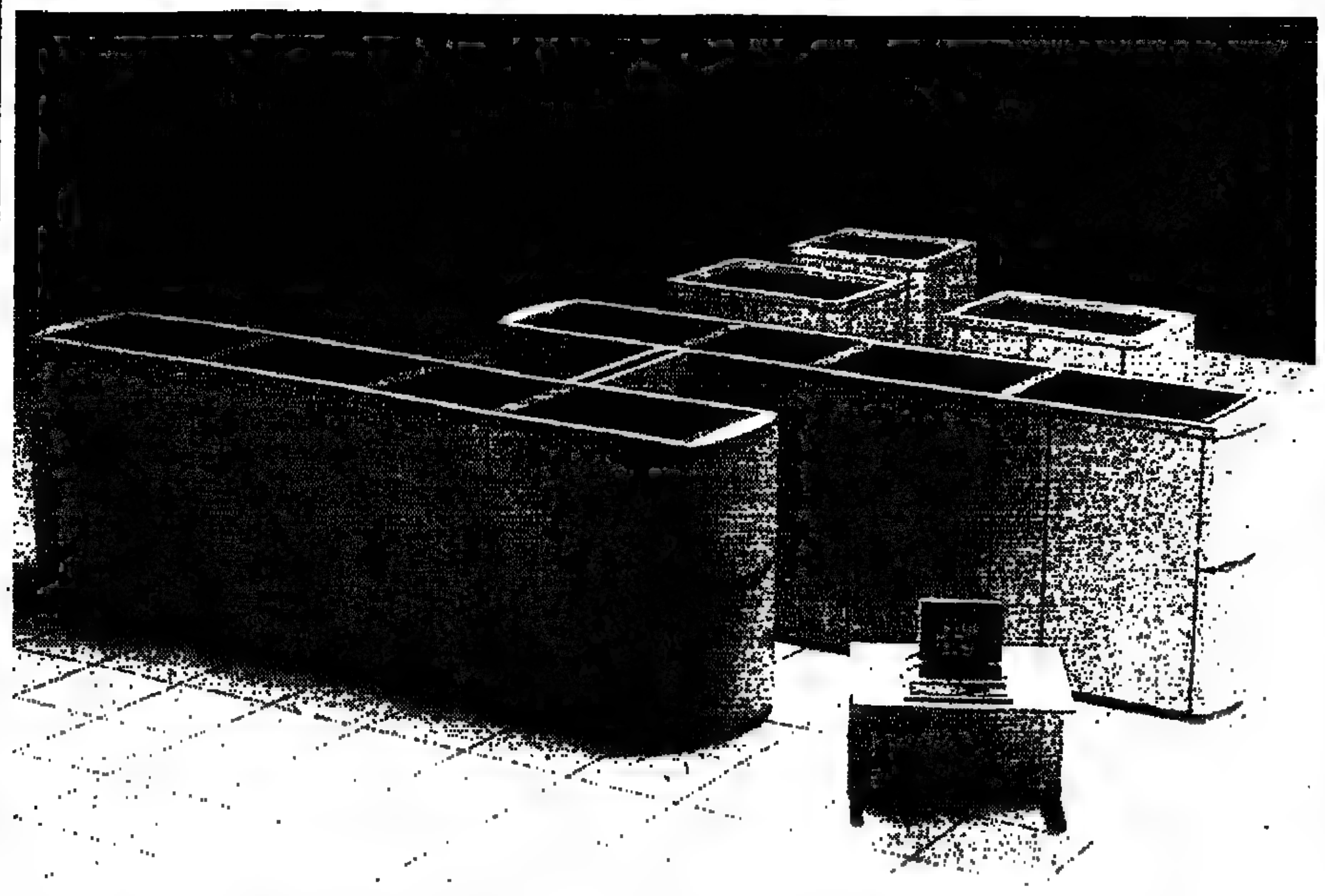
Mr Takashi Kurozumi, Icot deputy director, smiled when asked about the difficulties his team faced in building the computer: "Most people thought that to build a Fifth Generation machine would be impossible, so to that extent it was easier than we expected" he said.

How the market has moved



Source: JEIA, Denpa Shimbun and SBCI estimates

A new power on the market


The EX40, launched late last week: Hitachi claims big things for the EC rang

HITACHI this week claimed for itself the yellow jersey among the world's mainframe computer manufacturers with the launch of new models in its EX series which it says are the most powerful commercial computers available. With the largest machine in the range – a four way processor – speeds of up to 150 million instructions per second (mips) should be possible, compared with just over 100mips for IBM's largest machine.

Within Japan, the machines will use Hitachi's proprietary VOS operating system, but in the US and Europe they will be compatible with IBM mainframe computers using its MVS/XA operating software.

The new machine gets its power from greatly improved semiconductor technology; it uses ultra fast emitter coupled logic (ECL) with 12,000 gates per semiconductor device compared with 5,000 on its earlier machines. Switching speed has been cut from 200 trillionths of a second to 70.

Selling through Hitachi Data Systems and the Siemens/BASF joint venture Comparex, Hitachi currently has about 10 per cent of the market for IBM compatible mainframes in Europe. The "fastest mainframe" business is essentially a game of leapfrog – for the moment, Hitachi seems to have taken a narrow lead.

THE PROPERTY MARKET

Scars from the 80s; hope for the 90s

By Norman Bowie

The current state of affairs in the property market is one of worsening news for owners, developers and their financiers. There is hardly a bull in sight among the many commentators. On the other hand the news is good for consumers, whether prospective tenants or first-time owners, as prices fall.

The strengths and weaknesses of commercial property, as with houses, are dependent on the supply of land and built space but equally on the level of business activity and availability of credit.

The credit boom has fed into property development, encouraged by first-time lenders. The service industries such as estate agency, financial, advertising and marketing, leisure and other areas of discretionary spending expanded fast. Many operators strived to gain more than their fair share with resulting overcapacity in the market.

The land supply side was boosted by relaxations in the planning system. The changes to the Use Classes Orders with flexibility between offices and light industry plus increases in plot ratios attracted developers. Urban regeneration, the introduction of enterprise zones and the establishment of semi-autonomous local urban development corporations opened up new opportunities. London's Docklands, once the largest derelict area of land in western Europe, the West Midland and Wales Development Agencies, for example, have all attracted domestic and foreign enterprises.

Nothing goes on for ever, and again there is the classic repeat of the economic cycle being followed by the boom and bust or space feast and famine of the property cycle.

High interest rates, as the Chancellor reminds us, are likely to prevail for some time. Competent managements are forced to weed out inefficient units and curtail expansion plans, while others collapse so space demand falls away.

The development pipeline still has a steady flow of new space coming on to a market with a much lower level of demand than the developers and their financial backers had perceived. The higher cost of money, rolled over on short-term loans, soon erodes the profit margin. The Vat charge on new buildings and refurbishment is an added burden to developers as exempt purchasers or tenants may have the upper hand by knocking off the 15 per cent from the agreed price or rent. There is the further cost of holding empty buildings with void rates, insurance and security.

The buyers and tenants market is back again. Rents are either steady or falling and the surge in capital values is over. There is almost a buyer's strike as institutions wait for further rises in yields in every category of the investment market. Cash earning 15 per cent is attractive as a safe haven – compound interest is "the eighth wonder of the world".

"Cash is King" was the cry of Mr Jim Slater in 1974. It is repeated now by Mr Donald Trump in the US, with its millions of square feet of empty space and troubled real estate market. The echoes are being repeated here as forced sellers start to appear. It is curious timing for the Government to sell £200m of industrial property owned by English Estates unless it wishes to let tenants buy at knockdown prices.

If there is a crisis in the market it is worth remembering that the Chinese character for crisis is composed of two symbols – "danger" and "opportunity". Property underperformed equities in the 1980s and the institutions understandably dropped their percentage of total investment to about 10 per cent – a far cry from the 20 per cent or more of 10 years ago. It could well be that there will be a fundamental reassessment of yields so that the reverse yield gap will shrink.

Second-hand buildings again show the ravages of obsolescence as they did in the dull days of the early 1980s. Not only the physical wear and tear but the quality of the design, services and even location have a shortening lifespan. On top there is the "fashion factor" – such as the low-pitched roofs, deep eaves and glass and metal elevations set in red brick so popular in business parks. The market place slowly wakes up to the harsh fact that a building is a wasting asset and the stream of rental income generated by the invested capital must include provision for updating and renewal over a much shorter period than thought until now. The need to have a "green policy" and effect energy savings cannot be overlooked.

Property is all about where people want to live, work and enjoy their increasing leisure hours. All these activities require land and buildings. The population is still growing in numbers, another baby boom is under way. The workforce grows with an increasing number of women seeking work – full and part time. The age profile is changing – the shortage of young workers is more than balanced by the grey-headed bulge. There is a drift from the larger cities and conurbations into the surrounding shires and the human tide towards the sun still flows. Two million new homes are needed by 2000.

Employers are seeking to take work nearer to where people live. The creation of business parks with pleasant surrounds may still be in its infancy. One car space per employee is now needed, coupled with crèche and leisure facilities; a travel to work time of 45 minutes to one hour is the ideal.

The car population continues to grow faster than the human population. Sadly the Government has been neglectful of the transport infrastructure. There seems to be a lack of a positive national transport policy – the saga over the much-needed high-speed freight and passenger link to the Channel Tunnel borders on the pathetic compared with the European plans.

Some cities are developing their own mass transit systems. Access and mobility are key factors affecting land values. The 1980s edge and out of town retail centres were created because that is what people wanted.

A most important development is the growth and advancement in information technology – the dreaded computer! The electronic revolution has dawned. Soon the mobile office, fully equipped with phone (with personal number), fax, screen and keyboard will be as common as the black case. Electronic mail boxes, already numbering about 100,000, will multiply fast. The availability of fibre-optic cable facilities will be a key factor in location decisions. Shopping from home will have arrived.

Successful property investors and developers will need to have access to good in-depth research into the marketplace with knowledge of the factors creating real growth in land values. Town planners will play a greater role. Urban regeneration must be encouraged. The balance between national, regional and local economies is difficult to weigh but more land has to be released to meet economic needs and aspirations.

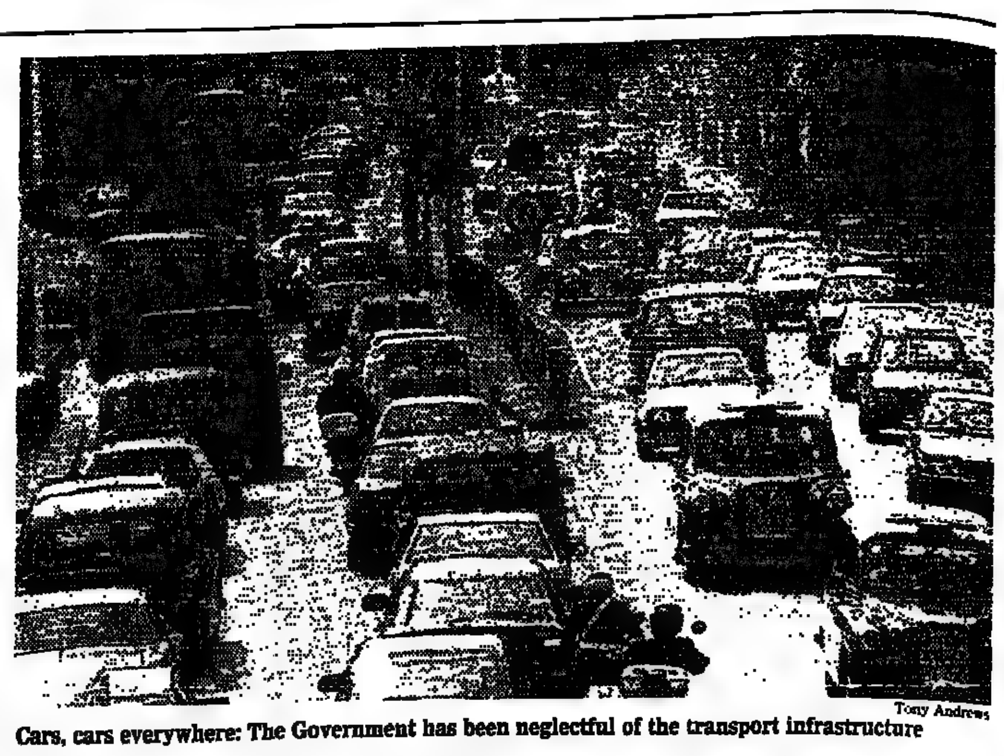
It will be a challenging and rewarding decade for the world of property.

Norman Bowie FRICS is an Hon Fellow of The College of Estate Management.

CAPITAL VALUE (% change)

	Retail	Office	Industrial	All property
Year to April 90	-1.4	+7.1	+12.5	+4.1
Quarter to April 90	-1.4	-1.7	-1.2	-1.5
Month of April 90	+0.2	-0.3	-0.3	-0.1

Source: Investment Property Databank



Tony Andrews

Cars, cars everywhere: The Government has been neglectful of the transport infrastructure

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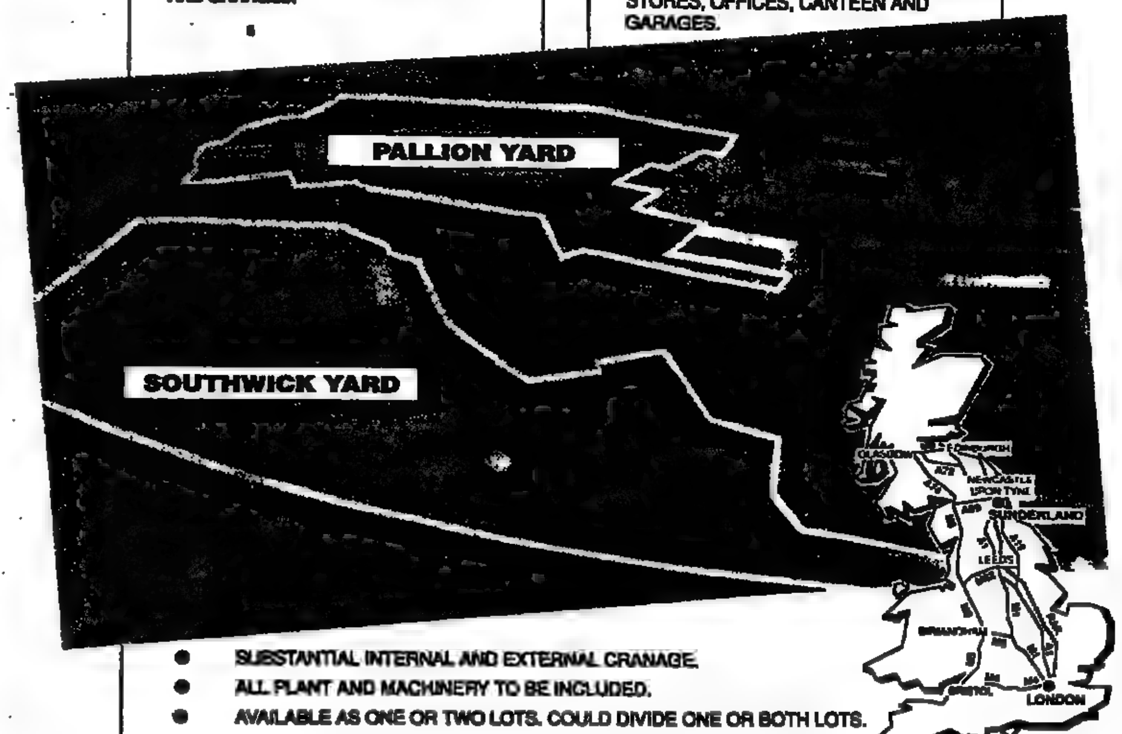

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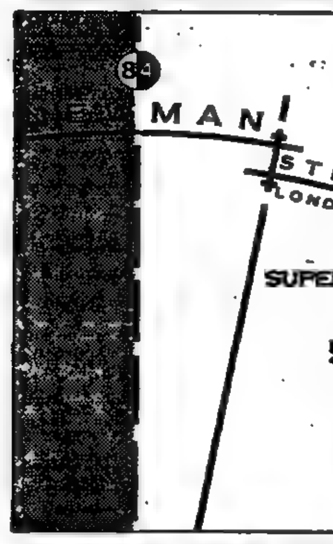

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ARTS

Arts Week

F	Sa	Su	M	Tu	W	Th
8	9	10	11	12	13	14

THEATRE

London

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Elaine Paige failing to emulate Ethel Merman. Jerry Zak's desperately bright production comes from the Lincoln Center in New York and is undemanding fare (734 8951, cc 836 2428).
Jeffrey Bernard is Unwell (Apollo). Tom Conti is the alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. Keith Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing. Ned Sherrin directs (437 2663).
Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operetta. Musically interesting and well directed by Trevor Nunn, a cast of unknowns project the right sense of sybaritic insouciance. A probable, but unspectacular, hit (839 5972).
Shadowlands (Queen's). Weepie about the love affair between crusty Oxford writer C.S. Lewis and the cancer-riddled American poet Joy Davidman, which pushes both Nigel Hawthorne and Jane Lapotaire into the awards stakes. William Nicholson's play is irresistibly emotional. Elijah Moshinsky's direction is superb (734 1166/439 3849).

New York

Cat on a Hot Tin Roof (Eugene O'Neill). Kathleen Turner, whose statuesque good looks embody Tennessee Williams' vibrant character Maggie, is surrounded by an excellent supporting cast in Howard Davies' production.
Grapes of Wrath (Cort). The Steppenwolf company's interpretation of the Steinbeck epic novel brings alive the 1930s in its squalour as well as its test of human strength. Gary Sinise as Tom Joad stands out in Frank Galati's adaptation.
Heidi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s, accompanied by the musical and emotional flavour of the period (239 6200).
Gypsy (St James). This 30th anniversary production does more than revive a rich, vivid musical; it also introduces a new belter in the Merman tradition, Tyne Daly, as the bossy, tireless and tuneful Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (246 0102).
Grand Hotel (Martin Beck). Tommy Tune, Broadway's present musical doctor, directs this remake of the Garbo film to at least shake the bones of this inert depiction of lives crisscrossing in an elegant, but somewhat random setting (246 0102).
Sweeney Todd (Circle in the Square). An intimate production of the Sondheim-Wheeler musical in contrast with the elaborate original a decade ago emphasises the descent into madness of Bob Gunton as the demon barber of Fleet Street (239 6200).
Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, including *On the Town, West Side Story* and *Gypsy*. The lustre of the credits is dimmed by the brevity of each piece, with a contemporary crew of Broadway aspirants who lack the multi-talents that inspired the heyday of the musical.
Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262).
Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).
Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6200).

Washington

Starlight Express. Andrew Lloyd Webber's roller-skating musical slides into Washington on its national tour. Ends July 14. Kennedy Center Opera House (467 6700).

Tokyo

Kabuki. The National Theatre (265 7411) has a "kabuki classroom" that consists of a lecture demonstration (with earphone translation into English) followed by one of the most famous plays in the repertoire, *Kanjincho (The Subscription List)*. An excellent introduction to kabuki. At Kabuki-za (541 3131). The matinee at 11am consists of a short, relatively modern play and three dance pieces. Among the artists appearing is the famous onnagata (specialist in female roles). Tamasaburo. At 4.30pm: *Kagamiyama Kokyo no Nishikie (The Women's Revenge)*, a late 18th century drama based on a real-life court scandal. Excellent earphone guide in English and English-language programme.
Peer Gynt (in Japanese). Japan's most famous director, Yukio Ninagawa, best known for his samurai Macbeth and noh Tempest, tackles Ibsen's "unstageable" masterpiece, with a cast headed by a popular young rock singer. Aoyama Theatre (201 7777).
A Man Called Macbeth. One of Japan's best fringe groups, Daisan Erotica, in a wild and visually exuberant adaptation (in Japanese) of Shakespeare's tragedy. Tokyo Globe (Wed-Sun only) (360 1151).

MUSIC

London

Royal Philharmonic Orchestra, conducted by Vladimir Ashkenazy, in a programme of Berlioz, Debussy and Ravel. Royal Festival Hall (Fri) (928 8800).
English Baroque Soloists and the Monteverdi Choir, conducted by John Eliot Gardiner, in a concert performance of Mozart's Idomeneo. Queen Elizabeth Hall (Fri) (928 8800).
Orchestra of The Sadler's Wells Royal Ballet with principal dancers of The Sadler's Wells, Royal Ballet, perform music and dance from the ballet: Tchaikovsky, Adam, Minkus. Barbican Hall (Sat) (638 8891).
Fitzwilliam Quartet and English Baroque Soloists: Mozart programme, including the clarinet quintet and violin sonata. Queen Elizabeth Hall (Sun) (928 8800).
The Philharmonia, conducted by Charles Dutoit, perform Berlioz, Chopin and Bartók. Emmanuel Ax is soloist in Chopin's second piano concerto. Royal Festival Hall. (Tues) (928 8800).
Takács Quartet in a programme of Mozart (K421 and K428) and Beethoven (opus 132). Barbican Hall. (Wed) (638 8891).
London Symphony Orchestra, conducted by Jeffrey Tate, perform Mozart, Shostakovich and Dvořák. Barbican Hall. (Thurs) (638 8891).

Paris

Hermann Prey recital (Mon). Salle Gaveau (45632030).
Viktoria Postnikova (piano) with Lyons National Orchestra conducted by E. Krivine. Tchaikovsky (Mon). Théâtre des Champs Elysées (47203637).
Annie Fischer. Beethoven, Schumann (Mon). Salle Pleyel (45638873).
Ensemble Orchestral de Paris conducted by Armin Jordan, Pierre Amoyal (violin), Daniel Arrignon (oboe). Mozart (Tue). Chatelet (40282828).
Radio France Philharmonic Orchestra and Choir conductedby Marek Janowski: Brahms' German Requiem (Thur). Théâtre des Champs Elysées (47203637).

Essen

Ex Machina 90. The Essen Folkwang University's section for electronic media and computer music, and the Ruhr Foundation of Modern Music are jointly staging Ex Machina 90, an international festival for electronic and computer music until June 10. The festival reflects on 40 years of electronic music history and offers several compositions from the four decades. Discussions and tape sessions round off the programme. Essen, Folkwang-Hochschule Klemensborn 39 (0201/4903-170).

Munich

Daniel Barenboim piano recital with an all Mozart programme. Philharmonie im Gasteig (Sun).

Berlin

Berlin Philharmonic, conducted by James Levine with pianist Alfred Brendel plays works by Mozart and Mahler. Philharmonie (Fri).
Berlin Philharmonic conducted by Myung-Whun Chung and Frank Peter Zimmermann (violin) and Wolfram Christ (viola) play works by Mozart and Prokofiev (Tues, Wed).

Milan

Uto Ughi recital (violin), accompanied by Eugenio Bagnoli. Teatro alla Scala (Sat) (809126).

Florence

Vladimir Ashkenazy plays Schumann and Brahms. Teatro Commuale (Fri) (2779236).

Rome

Giuseppe Sinopoli conducting Beethoven's Missa Solemnis. Auditorium in via della Conciliazione (Sun, Mon, Tues) (6541044).

Naples

Settimane Musicali Internazionali. Violinist Salvatore Accardo and friends perform every day (except Sat) this week at Museo Pignatelli or Teatro Mercadante (7612857).

Madrid

Mario Monreal (piano). Beethoven programme. Fundacion Juan March (4354240).
Mozart festival: Paul Badura-Skoda (piano). Mozart (Tues, Thurs). Auditorio Nacional de Musica (337 01 00);
David Allen Wehr (piano). Schubert, Debussy, Liszt. (Wed). Auditorio Nacional de Musica (337 01 00).

Barcelona

Alicia de Larrocha (piano). Schubert, Albeniz (Thur). Palau de la Musica Catalana.

Washington

National Symphony Orchestra conducted by Mstislav Rostropovich with Steve Honigberg and David Teie (cellists). Gould (world premiere), Ott, Tchaikovsky (Wed). Kennedy Center Concert Hall (467 4600).

Tokyo

Tokyo Metropolitan Symphony Orchestra, conducted by David Shallon, with Tabea Zimmerman (viola). Bartok, Mozart, Elgar (Tues) (682 0727).
Eastman Wind Ensemble, conducted by Donald Hunsberger. Bach, Holst, Grainger, Rimsky-Korsakov. Suntory Hall (Tues) (374 6166).
France Clidat (piano). Chopin, Liszt. Tokyo Bunka Kaikan (Wed) (353 2242).

EXHIBITIONS

London

The Tate Gallery. The entire permanent collection has been rehung in a curatorial triumph.
The Royal Academy. Modern Masters from the Gelman Collection – a self-explanatory exhibition of masterpieces of the 20th century from Bonnard and earliest Picasso to Picasso the old man, by way of all the great names of the School of Paris, Matisse, Modigliani and the rest. Until July 15: sponsored by Guinness.

Paris

Carte musées et monuments sold in museums and metro stations enable visitors to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles.
Galerie Schmit. French masters of the 19th and 20th century. For the 25th anniversary of his yearly exhibitions Robert Schmit has assembled an impressive collection of paintings. There are works by Pissarro, Degas, Delacroix, Cezanne, Gauguin, Manet, Monet, Renoir and Picasso. 396, Rue Saint-Honoré, closed Sundays and lunchtime, ends July 18 (42603636).
Galerie d'Art Saint Honoré. A Flemish 15th century retable. Around a large-sized 15th century Adoration of the Magi, painted by an anonymous artist, who combined to great effect northern realism with more than a dash of Italian mannerism, Monika Kruch assembled other works of religious inspiration. 267 Rue Saint Honoré (42601503), open Mon-Fri. Ends Sept 15.
Bagatelle Chateau and Trianon. Vienna 1815-1848 – the Biedermeier period. Vienna's museums have lent some 250 pieces of furniture, porcelain, paintings and objets d'art for an exhibition of the style which expressed the Austrian capital's changed mood after the turmoil of Napoleonic wars – the Biedermeier style. Bois de Boulogne. Ends August 15 (45012010).
Galerie Odermatt-Cazeau. 19th and 20th Century Masters.A thread of excellence runs through the exhibition, which begins with the impressionists and ends with an abstract Picabia. Ends July 28 (42669258).
Petit Palais. James Ensor 1860-1949. A retrospective of 100 paintings, 130 drawings and etchings brings to mind Ensor's provocative boast of "I am mad, I am stupid, I am nasty". Jarring mockery and garish colours add to the feeling of anguish and agressive rancour. Closed Mon, ends July 22 (42651273).
Musée Carnavalet. Antique bronzes. Some 400 statuettes bring to life the Gallo-Roman world up to the 5th century. They are grouped in glass cases around a divinity surrounded by objects of the appropriate cult. Closed Mon, ends July 1 (42722113).
Musée d'art Moderne de la Ville de Paris. Kees Van Dongen. 132 works retrace the career of the painter who, as one of the *Fauves*, enjoys provoking the public with daring juxtapositions of violent colours, charcoal contours and green shadows. 11, Ave President Wilson, Closed Mon, late closing Wed. Ends June 17 (47236127).
Grand Palais. Pre-Columbian art in Mexico (1500BC – AD1521). Some 130 exhibits from Mexico's archaeological museums bear witness to the high degree of artistic development of the ancient civilisations of the Mayas and Aztecs. A deep religious sense imbues their imaginary world, peopled with divinities often represented as jaguars and serpents. Closed Tue, late closing Wed. Ends July 30 (42896410).

Brussels

Isy Brachot. Portrait of the Pace gallery of New York. Calder, Dubuffet, Picasso, Rothko and others. Ends June 23.
Musée d'Ixelles. 71 Rue Jean Van Volsem. La Poetique des Peintres Italiens a l'Aube du XXe Siècle. Ends July 15.
Musée Wellington-Waterloo. Inedits sur Waterloo commemorates the 175th anniversary of the Battle of Waterloo. Daily, ends July 31.

Antwerp

Anthony Caro: monumental sculptures. Huis Osterrieth, 85 Meir. Closed Sun, ends June 22.
Rembrandt Bugatti and Belgian Animal sculpture (1860-1930) closed Monday ends July 29. Hessenhuis, 53 Falconrui.

Rome

Braccio di Carlo Magno in Piazza San Pietro: Michelangelo and the Sistine Chapel. This exhibition marks the end of a 10-year project by Vatican restorers on the ceiling of the Sistine Chapel. Remarkable for the exceptionally generous opening hours (open every day except Wed and on Sat from 9.30am to 11.00am) and handsome catalogue, as well as a rich collection of drawings by Raphael, Rubens, Annibale Carracci, showing clearly Michelangelo's powerful influence, the exhibition also carefully documents the techniques used and the difficulties encountered by the restorer. Ends July 10.
Palazzo Venezia: Art for Popes and Princes of the 17th and 18th centuries. Over 70 large and exuberant canvases from the country seats of popes, cardinals and the Roman aristocracy in the area stretching south of Rome, once known as the Campagna Romana. Remarkable in the non-religious section are four oils depicting the four seasons by Mario Nuzzi, known as Mario de Fiori for his habit of filling his paintings with vast floral compositions of the sort more commonly associated with Dutch 17th century painting.
Villa Medici. Henri Cartier-Bresson. A selection of photographs from various stages in his long career and 100 or so drawings. Ends June 22.
Galleria Nazionale d'Arte Moderna. Fabrizio Clerici retrospective: in a labyrinth designed by the artist himself and built in the gallery's workshops are hung a series of exquisite drawings and paintings. Ends Sept 16.

Bologna

Galleria d'arte Moderna. Giorgio Morandi retrospective. Over 200 works lent by Italian and foreign museums celebrating the centenary of the painter's birth. Ends Sept 2.

Mannheim

Städtische Kunsthalle, Moltkestr. 9. Emile Bernard, a painter always in the shadow of Van Gogh and Gauguin, is honoured with a retrospective of 170 early paintings. Ends August 5.

Darmstadt

Mathildenhöhe. The seat of the Hess-Darmstadt aristocracy, the city became a prominent cultural centre under the Duke Ernst Ludwig, who ruled between 1892 and 1918. He instituted the Mathildenhöhe's arts centre Künstlerkolonie. One of seven buildings by architect Maria Ulbrich, called Ernst-Ludwig Haus, it was damaged during the war and later reconstructed. Now after a total reconstruction it opens its doors in its original function as a Jugendstil museum, documenting all aspects of the Jugendstil with furniture, pictures, porcelain and jewellery.

Munich

Kunsthalle der Hypo-Kultur-Stiftung, Theatinerstr. 15. Joan Miro. There are about 130 examples of the work of the Spanish surrealist artist until June 17.

Madrid

Museo del Prado. Sanchez Coello (1531-1588). Some 50 paintings by this Spanish artist born in Valencia, predecessor of Velazquez. Ends July 30.
Fundacion Caja de Pensiones. Georg Baselitz. Exhibition of this German artist's 1980's production, including paintings, sculptures, linocuts, pastels and drawings. Ends July 15.

Barcelona

Fundacion Caja de Pensiones. Edwuard Ruscha retrospective. Closed Mon. Ends July 15.

New York

New York Public Library. More than 125 documents of the Abolitionist Movement, including photographs, letters and rare books, display the spirit and drive of the long effort to free the slaves. Ends Sept 15.
Museum of Modern Art. The first retrospective in America in 25 years marks the 80th birthday of Francis Bacon with 60 works. Ends Aug 28.
Metropolitan Museum of Art: The Russian Taste for French painting, representing three centuries of French masterpieces from the Hermitage and Pushkin Museums, covers Poussin to Matisse. Among the 51 works are major paintings by Watteau, Fragonard, Ingres, Manet, Renoir, Gauguin and Henri Rousseau. Ends July 29

Washington

National Gallery. More than 90 prints by Edvard Munch show the Scandinavian artist at his most colourful and prolific, mining his familiar emotional themes of anguish, jealousy, death and loneliness. Ends Sept 3.
National Gallery. More than 10 media are included in the major show of 112 of Jasper Johns's drawings over 35 years, exploring multi-media techniques in tracing, drawing and imprinting. Ends July 29.
National Museum of African Art. The national tour of artistic and religious objects, much of it sculpture, encompasses nine centuries of Yoruba civilisation. Ends Aug 26.

Chicago

Chicago Historical Society. The Land of Lincoln does its most famous citizen proud in the exhibition, A House Divided. America in the Age of Lincoln, with documents, mementos and personal effects of the Great Emancipator.
Chicago Historical Society. A special exhibit of Frank Lloyd Wright's designs for art-glass windows, furniture and silver shows why the details completed the Wright look. Ends June 17.
Art Institute. Before going to the Royal Academy in London later in the year, Chicago gets to see Monet's series paintings, including Haystacks, Poplars and Rouen Cathedral, all from the 1890s. Ends August 12.

Tokyo

Idemitsu Museum. Oriental Ceramics from the Topkapi Palace, Istanbul. The Topkapi's huge ceramic collection is especially strong in pieces from China and Japan, which were brought to Turkey via the Silk Road of the Sea. A representative selection has been chosen for this exhibition, which marks the 100th anniversary of Turko-Japanese relations. Closed Mondays.
Sogetsu Gallery & Hall. Yoko Ono. Her first exhibition in Tokyo in more than two decades: mainly sculptures and works in paper. Twenty of her films are also being shown.
National Museum of Modern Art and Crafts. Van de Velde: furniture, architectural plans, pottery, silverware and photographs by the Belgian Art Nouveau designer. Closed Mondays.
Suntory Museum. Bulgarian Icons: Prayers of the Multitude. These 61 magnificent Byzantine works range from the 12th to the 19th centuries and are on loan from collections in Bulgaria. Closed Mondays.

PUBLIC NOTICE

MMC INVESTIGATION INTO THE SUPPLY OF CARBONATED SOFT DRINKS

The Monopolies and Mergers Commission is investigating whether there is a monopoly in the supply of carbonated soft drinks, and if so, whether any aspect of the supply of carbonated soft drinks operates against the public interest.

Any persons wishing to give information or views on the matter should write as soon as possible, but not later than 29 June 1990 to: The Reference Secretary (Carbonated Soft Drinks), Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 2JT.

PERSONAL

TO HOLDERS OF

INTERFIRST TEXAS FINANCE N.V.

Guaranteed Floating Rate Notes Due May 1989
(Unconditionally guaranteed as to payment of principal and interest by IFRB Corporation, successor to InterFirst Corporation)
CUSIP No. 458924 AA 5

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee ("Trustee") under the below-mentioned Indenture provides the following to holders of the above-described Notes ("Notes").

Please note that there are two Notices relating to the above-described Notes, one related to the case of InterFirst Texas Finance N.V. and the other related to the case of IFRB Corporation, and holders are urged to read each Notice, obtain the respective Disclosure Statements and ballots and vote for each Plan.

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION

In re INTERFIRST TEXAS FINANCE N.V., Debtor.	Case No. 389-34612-SAF-11 (Chapter 11)

NOTICE OF APPROVAL OF DISCLOSURE STATEMENT AND HEARING ON CONFIRMATION OF PLAN

TO: ALL CREDITORS, EQUITY SECURITY HOLDERS AND OTHER PARTIES IN INTEREST

YOU ARE HEREBY ADVISED that on May 29, 1990, the Bankruptcy Court entered an Order approving the First Amended Disclosure Statement ("Disclosure Statement") related to the First Amended Plan of Reorganization ("Plan") for InterFirst Texas Finance N.V ("Texas Finance") jointly proposed and filed by Texas Finance and its Official Unsecured Creditors' Committee ("Committee").

PLEASE TAKE NOTICE that a hearing on confirmation of the Plan has been set for July 10, 1990, at 9:00 a.m. before the Honorable Steven A. Felsenthal, Room 15-C-22 at 1100 Commerce Street, Dallas, Texas. Such hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by an announcement of such adjournment on the date scheduled for the hearing.

PLEASE TAKE FURTHER NOTICE that objections to the confirmation of the Plan must be in writing, filed with the Clerk of the Bankruptcy Court, 1100 Commerce Street, Dallas, Texas, 75201 and served on counsel for Texas Finance, Michael A. Rosenthal, Gibson, Dunn & Crutcher, 1717 Main Street, 5500 Momentum Place, Dallas, Texas 75201-4605, and counsel for the Committee, Henry L. Gompf, Jones, Day, Reavis & Pogue, 2300 Trammell Crow Center, 2001 Ross Avenue, Dallas, Texas 75201, no later than July 5, 1990. Responses to written objections to confirmation of the Plan shall be filed and served by July 9, 1990.

PLEASE TAKE FURTHER NOTICE that July 5, 1990 at 5:00 p.m., Dallas time, has been fixed as the last date and time for receipt of written acceptances or rejections of the Plan. A ballot for accepting or rejecting the Plan may be obtained from counsel for Texas Finance, the Trustee or any Paying Agent as provided below and should be returned by such date and time to Texas Finance, c/o Michael A. Rosenthal, Gibson, Dunn & Crutcher, 1717 Main Street, 5500 Momentum Place, Dallas, Texas 75201-4605. The Plan may be accepted or rejected by: (i) any creditor of Texas Finance whose claim is deemed allowed pursuant to section 502 of the Bankruptcy Code or has been allowed by the Court; (ii) any creditor of Texas Finance who was a security holder of record on May 29, 1990, and whose claim has not been disallowed; and (iii) any shareholder of record of Texas Finance on May 29, 1990, whose interest has not been disallowed.

A copy of the Plan and the Disclosure Statement, and a ballot for accepting or rejecting the Plan, will be transmitted by mail directly to known creditors and equity security holders by June 4, 1990. If you do not promptly receive these documents, or hold securities in bearer form, please immediately contact: (i) counsel for Texas Finance, Michael A. Rosenthal, Gibson, Dunn & Crutcher, 1717 Main Street, 5500 Momentum Place, Dallas, Texas 75201-4605, telephone (214) 698-3100, or (ii) if you are a holder of Texas Finance Guaranteed Floating Rate Notes due May, 1989 ("Notes"), issued pursuant to that certain Indenture dated as of May 10, 1984, as supplemented, by and among Texas Finance, InterFirst Corporation (predecessor to IFRB Corporation) as Guarantor and Morgan Guaranty Trust Company of New York, as Trustee ("Trustee"), either (a) Morgan Guaranty Trust Company of New York, as Trustee, Corporate Trust Administration, 30 West Broadway, New York, NY 10015, Attn: Mr. Patrick J. Crowley, Vice President, Tel. (212) 587-6027, or (b) any Paying Agent with respect to the Notes.

PLEASE TAKE FURTHER NOTICE that, if you are a holder of the Notes and you have not previously identified yourself to the Trustee, you should immediately do so in order that you may directly receive future material relating to the Notes. The Trustee may be contacted at the address listed above.

PLEASE TAKE FURTHER NOTICE that the Trustee will not vote as a representative of holders of the Notes and each such holder is urged to review the Plan and Disclosure Statement and to vote.

Dated: June 7, 1990

By: InterFirst Texas Finance N.V.
Debtor in Possession

TO HOLDERS OF

FIRST REPUBLICBANK CORPORATION

Floating Rate Subordinated Notes Due 1997

And

INTERFIRST TEXAS FINANCE N.V.

Guaranteed Floating Rate Notes Due May 1989
(Unconditionally guaranteed as to payment of principal and interest by IFRB Corporation, successor to InterFirst Corporation)
CUSIP No. 458924 AA 5

CHEMICAL BANK (London), as Fiscal Agent and Paying Agent (the "Fiscal Agent"), under the below-mentioned Fiscal Agency Agreement provides the following to holders of the above-described Floating Rate Subordinated Notes ("FRBC Notes"); and

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee ("Trustee") under the below-mentioned Indenture provides the following to holders of the above-described Guaranteed Floating Rate Notes ("N.V. Notes"):

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION

In re FIRST REPUBLICBANK CORPORATION and IFRB CORPORATION, Debtors.	Case No. 388-34546-SAF-11 (Chapter 11) Case No. 388-34547-SAF-11 (Chapter 11)

NOTICE OF APPROVAL OF JOINT DISCLOSURE STATEMENT AND CONFIRMATION HEARING ON CHAPTER 11 PLANS OF REORGANIZATION

PLEASE TAKE NOTICE that (i) First RepublicBank Corporation ("FRBC"), the Official Committee of Senior Unsecured Creditors of FRBC (the "FRBC Senior Committee") and the Official Committee of Junior Unsecured Creditors of FRBC (the "FRBC Junior Committee") have jointly proposed and filed the Fifth Amended and Restated Chapter 11 Plan for FRBC (the "FRBC Plan") and (ii) IFRB Corporation ("IFRB") and the IFRB Corporation Statutory Creditors' Committee (the "IFRB Committee") have jointly proposed and filed a Fourth Amended Chapter 11 Plan for IFRB ("IFRB Plan"), and FRBC, the FRBC Senior Committee, the FRBC Junior Committee, IFRB and the IFRB Committee (the "Proponents") have filed the Fourth Amended Joint Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code ("Disclosure Statement") with respect to the FRBC Plan and IFRB Plan.

PLEASE TAKE FURTHER NOTICE that on May 29, 1990 the Bankruptcy Court, by order of the Honorable Steven A. Felsenthal pursuant to Section 1125 of the United States Bankruptcy Code, approved the Disclosure Statement as containing sufficient information for a creditor or equity security holder to make an informed judgment as to whether or not to vote for the FRBC Plan or the IFRB Plan. The Bankruptcy Court has set (i) June 29, 1990 as the last day for creditors (other than parties present at a disclosure statement hearing held on March 13, 1990) and equity security holders to file objections to confirmation of the FRBC Plan and the IFRB Plan, (ii) July 11, 1990 as the last date for ballots to be received and (iii) July 16, 1990 as the date on which the hearing on confirmation of the FRBC Plan and the IFRB Plan shall commence.

The holders of the FRBC Notes are classified in Class 4B under the FRBC Plan and distributions in respect of the FRBC Notes are provided for in the FRBC Plan. Please refer to the FRBC Plan and the Disclosure Statement for a complete discussion of the recovery for holders of FRBC Notes.

The claims arising under IFRB's guarantee of the N.V. Notes are classified in Class 2 under the IFRB Plan and distributions in respect of that guarantee are provided for in the IFRB Plan. Please refer to the IFRB Plan and the Disclosure Statement for a complete discussion of the recovery for holders of N.V. Notes under the IFRB Plan.

A copy of the Disclosure Statement, the FRBC Plan and the IFRB Plan are on file with the Bankruptcy Court and may be examined by interested parties at the Bankruptcy Court during its regular business hours. Copies of the Disclosure Statement (to which the Plans are appended) and ballots for accepting or rejecting the Plans may be obtained on written requests directed to: Michael A. Rosenthal, Gibson, Dunn & Crutcher, 1717 Main Street, 5500 Momentum Place, Dallas, Texas 75201-4605 and are expected to be forwarded directly to holders of FRBC Notes known to the Fiscal Agent and FRBC and to holders of N.V. Notes known to the Trustee and IFRB and to the Paying Agents for the FRBC Notes and the N.V. Notes on or before June 4, 1990.

The Fiscal Agent will not vote as representative of holders of FRBC Notes and the Trustee will not vote as representative of holders of N.V. Notes. Each holder of FRBC Notes or N.V. Notes is urged to review the Disclosure Statement and the Plan applicable to such holder and to vote to accept or reject such Plan.

PLEASE TAKE FURTHER NOTICE that, if you are a holder of the FRBC Notes which were issued pursuant to that certain Fiscal Agency Agreement dated as of February 1, 1985 between FRBC and Chemical Bank, as Fiscal Agent and Paying Agent, and you have not previously identified yourself to the Fiscal Agent or FRBC, you should immediately do so in order that you may directly receive future material relating to the FRBC Notes and distributions in respect of the FRBC Notes under the FRBC Plan. The Fiscal Agent may be contacted at the following address:

CHEMICAL BANK
Custody and Cash
First Floor
180 The Strand
London, England WC2R IET

PLEASE TAKE FURTHER NOTICE that, if you are a holder of the N.V. Notes which were issued pursuant to that certain Indenture dated as of May 10, 1984, as supplemented, by and among InterFirst Texas Finance N.V., InterFirst Corporation (predecessor to IFRB as Guarantor) and Morgan Guaranty Trust Company of New York, as Trustee, and you have not previously identified yourself to the Trustee, you should immediately do so in order that you may directly receive future material relating to the N.V. Notes and distributions in respect of the N.V. Notes under the IFRB Plan. The Trustee may be contacted at the following address:

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *as Trustee*

Corporate Trust Administration
30 West Broadway, New York, NY 10015
Attention: Mr. Patrick J. Crowley, Vice President
Tel (212) 587-6027
Fax (212) 693-0534

By: First RepublicBank Corporation
Debtor in Possession

By: IFRB Corporation
Debtor in Possession

Dated: June 7, 1990

Sara

LILIAN BAYLIS

Between their first home-made play and their next Shakespeare Cheek by Jowl have slipped the British première of a bourgeois tragedy by the 18th century German critic and playwright Gotthold Ephraim Lessing, the dramatis personae of which leaves no doubt as to his penchant for all things English: his characters take their names from Congreve and Richardson, although it was to Shakespeare that Lessing principally looked for a rebuttal of the Francophilia he so despised among his contemporaries.

His early tragedy, otherwise known as *Miss Sara Sampson*, is duly set in an English inn where the double-dealing Mellefont is holed up with his latest love, the gracefully simple Sara, away from the disapproval of her father and the fury of his spurned mistress, Marwell, who descends, spitting sparks on this latest incarnation of love's young dream and insisting, with some reason, that it will not last.

Whatever one thinks of Lessing's tragic indulgence – and it takes all of director Declan Donnellan' undoubted skill to rein in the melodrama of Sara's death – he created some splendid opportunities for women, which are splendidly taken up by Sheila Gish and Rachel Joyce, the former swelled to a demented exultation as she exacts her revenge; the latter increasingly childlike in an innocence that a lesser actress could all too easily make cloying.

What is so clever about Joyce's performance is her ability to hold within a state of grace all the paradoxes that such grace entails: Sara's emotional elevation is matched by a physical diminution; we can watch Raad Rawi's mercurial Mellefont being transformed by her forgiveness, but the nature of the beast is such that we cannot quite believe this waif will continue to fascinate him; there is too much of Congreve's *Double Dealer* in him.

But then, in Cheek by Jowl's reckoning, this is not simply a story of a woman scorned, but of women wasted – by the perfidy of their lovers and the autocracy of their fathers. Where Sara has trodden, Mellefont's young daughter, Arabella, is doomed to follow. The parallel is articulated through her final impending adoption by Sara's fusty, fuzzy-wigged father; there is enough irony around to prevent this sentimental tying-up from being taken at face value.

The unstoppable surge towards doom and gloom is leavened in the first act by some devastating comic touches, chiefly revolving around Marwell's inability to recognise a true emotion when she sees one: ("What? Are you crying? actually?" asks Gish's incredulous "new Medea," trailing a finger through her daughter's tears) In the second, Nick Ormerod's characteristically restrained design rears up the wall in a shadow-play which teams up with the nicely aged turn-of-the -century translation to emphasise and subvert the play's melodramatic impetus.

The supporting cast as usual sit to one side of the stage, forming a neat little musical ensemble to jolly the play on its way. This is vintage Cheek by Jowl, the familiar style casting its customary spell on unfamiliar material. After nine years on the road the adventure continues.

Claire Armitstead

Idiosyncratic mix

Susan Moore reviews the exhibitions at Trinity Fine Art and Agnews

Trinity Fine Art exhibitions are akin to restaurant tables laid with a wealth of delectable antipasti. A rich variety of colours, textures and tastes is on offer, end every one will make a different selection. This is the second year that the Florence-based dealers – now down to a duo since the third partner left last year – have served up a London show of sculpture and works of art at Harari & Johns in Duke Street, St James's (until June 20). Once again they present an idiosyncratic blend of the quirky and the serious.

A rare bronze by the Baroque sculptor Alessandro Algardi shares gallery space with an endearing but provincial painted wooden trunk in the form of a house. A Florentine Renaissance marble relief rubs shoulders with a silver Venetian chalice and a Neapolitan tortoiseshell inkstand. Here is maiolica, scagliola, pietra dura, alabaster, terracotta, carved and gilded wood and gleaming bronze. The eclecticism is quintessentially Italian, like the majority of the objects. This is an exhibition that offers much to admire and to delight but which refuses to take itself too seriously.

Algardi's 48cm high bronze Venus and Adonis is the jewel of the show. Adonis lies dead in the arms of a despairing Venus, and Cupid looks on in an attitude of tender melancholy. The group was conceived as a fountain ornament, and is an assured and complex composition of fluid curves and silken light-reflecting surfaces. What a pity that we are not able to see it in the round. Several versions of it exist in terracotta, and a far less finely worked bronze version is at the Musée des Arts Décoratifs in Paris.

Beside it frolic two plump marble putti. Made by Giuseppe Maria Mazza, who more often worked in terracotta and stucco, it was commissioned in the 18th century as a pair to Algardi's Two Putti Fighting, as an allegory of sacred and profane love.

An unlikely sculptural tour-de-force is in porcelain, a plain white group depicting Tasso's description of Godfrey of Bouillon mourning at the tomb of his friend who was killed below the walls of Jerusalem. It is one of a series modelled by Giuseppe Gricci at Capodimonte. What it lacks in Germanic refinement it makes up in vigour and robustness.

More off-beat are the two enraged sea horses entwined around the base of (presumably) an ink well, an early confection from the Ginori factory at Doccia. But the most enchanting of all the highly desirable ceramics is the Chinaman who skips across a maiolica plate, of around 1765. It is one of only 13 to survive from the service. The pink and green palette is delightful, and the placing of the figure on the white ground is masterly. The whole is light-hearted, almost whimsical, and would be a joy to life with. It is much too nice – and valuable – to eat off.

A new introduction to the Trinity repertoire is architectural drawings and stage designs. Most beguiling are the spirited studies in brown ink and brown and grey wash that were executed by Paolo Posi, Nichola Michetti and Giuseppe Palazzi for the often fantastical temporary edifices erected for Roman festivals in the 18th century. These platforms formed the setting for a variety of entertainments, and exhibit extraordinary invention. Best of all are the ebullient preparatory studies of "machina" conceived for the Festa della Chinea.

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Sculpture also finds a place in Agnew's Victorian show, the first, apparently, for some 20 years (until July 20). John Thomas's near life-size allegorical figure of Night greets the visitor at the bottom of the staircase; her head shrouded by a diaphanous veil and her brow studded by a solitary star. Half way up, we find Fanny Cornforth fast asleep on a sofa, captured by Rossetti's pencil. Her exuberant curls, pressed against the cushion, form a crown of serpentine waves, and she sleeps like some benign Medusa. A mood of somnolence prevails. Presiding over the main gallery is Albert Moore's lovely young woman deep in revery, exquisitely painted in harmonies of green and gold. She came from America, and is off to Japan.

'Caged Doves, Cairo,' by John Frederick Lewis at Agnews

Not one of the three finest pictures is set in 19th century Britain. The Orientalist J.F. Lewis offers the gloriously detailed "Caged Doves, Cairo" (does the title refer to the birds, or the young woman in the hareem?), which reveals his mastery of rendering light and rich textiles. From Edward Lear comes one of a number of brilliant panoramas of the hills and coastline of Corfu.

These are the plums of the show. The surprise is how good some of the century's lesser lights could be. The sentiment and dewy eyes of George Elgar Hicks's impoverished family in "The Last Shilling" is instantly forgiven by the sheer quality of the painting, from the young father's snowy white shirt to the still life of china on the table. Charles Lucy's woodland "The Bivouac" and "The Sunny Hours of Childhood," William Helmsley's boys playing marbles, and William Hay's housemaid thoroughly enjoying a good book are all unpretentious delights.

Temptation

WESTMINSTER THEATRE

Much water has flowed down the Vltava since the Royal Shakespeare Company mounted Václav Havel's grimly humorous gloss on the Faust legend a couple of years ago. The proscribed playwright is now president, honoured in his own country and abroad. From being an admonitory lament laced with black comedy, his play is now a triumphantly satirical look back to a nightmare safely passed through, awoken from for good.

Cynics may wonder if a commercial production so soon after the RSC's was necessary. In the event, James Roose-Evans' direction produces something different in style and extremely engaging: an antic hay where the ambiguous devil-figure might well reveal goat's feet as he lures the hero to heretical doubts; and where his final fiddling as sirens wail and smoke fills the stage might not indeed be death striking up for a terminal conga.

This is underlined by the playing of Sylvester McCoy as the smelly-footed stranger who appears in answer to a research scientist's occult dabbling and may be an *agent provocateur* or, of course, the devil (Irish accented). Mr McCoy's grimacing glee and ogling *oeillades* smack more of the button-holing sauciness that has endeared him to a television public than the dowdy menace of totalitarian spying; but he perfectly captures the very central European mood of grotesque playfulness.

"Here and Now" states the programme, and the set (Bruno Santini and Michael T. Roberts) mischievously continues the décor of the theatre auditorium: red plush walls, identically panelled doors, and EXIT and "No Smoking" signs facing us. Over the pedimented central doorway, like a greenish mildew, is depicted the jostling tumulus of little prodnosed, bug-eyed faces, the sort of gremlin cartoonists once depicted peering over walls.

Presumably they represent us. The implied relevance hardly rings true. There is something very local in Havel's satire: and whatever the faults of Thatcherite Britain, decoy, bluff and double-bluff are still less usual weapons in the corridors of power than the chopper and the bludgeon.

The manic, stylised pace where the white-coated Institute scientists whizz jerkily around like robots, belongs to the exotic world of political violence, the suicidal clockwork whirr of Dario Fo's farcical comments on fatuous inequity.

Flagwaving, cheers and blasts of music for the entrance of the Institute's Director (Frank Middlemass) ring false when the music is "Jerusalem." For the Queen, perhaps, but for the bigwig of a scientific institute? Never.

That said, Rula Lenska personifies erotic, and intelligent, ambivalence. Kevin Malpass' sound, complete with the eerie counter-tenorising of Ophelia's words for the idealistic young secretary betrayed into madness, is more effective than the RSC's determination to beat dreariness at its own game. And Aden Gillett manages to overcome a matinee idol (or young Tory MP) profile and a West End vocal boom as the harassed hero, forced to temporise, equivocate, and sacrifice all integrity. The play's return is entertaining and welcome.

Martin Hoyle

Northern Ballet Theatre

SADLER'S WELLS

About the triple bill with which Northern Ballet Theatre has opened its visit to Rosebery Avenue it can be said that it is well designed. There is a careful re-creation of the Spanish Riding School by Tim Goodchild for *Lipizzaner*, an otherwise incomprehensible ballet by Gillian Lynne. There is an imaginative recreation of the Ypres salient by Lez Brotherston for Michael Pink's *Strange Meeting*, which anguishes about the futility of war. There is a magical view of the Eiffel Tower by night from Peter Docherty for Ronald Hynd's *Liaisons Amoureuses*, which is a Belle Epoque romp replete with lovers and misunderstandings.

And having said that, one has said almost everything about an evening whose chief claim to our interest is in its predictability. I suppose that NBT has identified an audience whose expectations of ballet go no further than what they know, and in these harsh financial days the satisfying of that audience guarantees existence, if not artistic credibility. (Other companies pull the same trick with *Swan Lake* and *The Nutcracker*, or demented travesties of those ancient sweetmeats). One of NBT's three offerings would be acceptable in an evening of ballet – and I hope it would be Ronald Hynd's well-crafted and musically deft sketch – but the full set (as we say in the trade) is very hard to take.

The company dances well throughout the evening – the men seem stronger than heretofore, and are choreographically favoured in both *Lipizzaner* and *Strange Meeting* – but such expense of energy in such surroundings seems over and above the call of duty. *Lipizzaner* I found confused and confusing. Perhaps the girls were horses and the men their trainers – feminism not a strong suit in Hapsburg Vienna, evidently – but the choreography offered no more than obvious tricks, and trapped two notable guests, Trinidad Sevillano and Patrick Armand, in its nonsenses. (Miss Sevillano's lovely gifts looked denatured by pony-tail vapidities.) Amid the life-like barbed wire and gun-flashes of *Strange Meeting*, NBT's fighting men, balletically precise, seemed lightweight, no matter how sincere their emoting.

Given ingredients which include Offenbach, Paris in 1889, and a restaurant apparently placed at the bottom of the Avenue Montaigne, *Liaisons Amoureuses* did what it did with suitable high spirits. Its rewards are the skilled way Ronald Hynd puts dances together, embroidering a waltz step, or pointing a joke. His cast did not manifest the charm that such choreography merits, but the piece wins its public. So, indeed, does each work in this evening – and I suppose NBT's conscience will not be troubled. But as an example of ballet in the last decade of the 20th century, the evening is disquieting.

Clement Crisp

VW and 'Cesti' in New York

Frank Corsaro is an American opera producer who champions British operas that Britons tend to neglect. Over here he has produced Delius's *Koanga*, *Village Romeo*, *Margot-la-Rouge*, and *Fennimore and Gerda*, and Rutland Boughton's *The Immortal Hour*. And most recently, at the Juilliard, Vaughan Williams's first opera, *Hugh the Drover*.

On this page many years ago I wrote without enthusiasm about *Hugh*, after a Sadler's Wells and later after a Camden production. Today I feel shame about not having heard then, through the evident infelicities, how strong and beautiful a work *Hugh the Drover* is. It was warmly and enthusiastically received by the New York audiences.

Hugh was composed in 1914 but was not brought to the stage until 1924. Harold Child's libretto is hard to defend. His diction is deplorable. His dramaturgy – though he became the *Observer* drama critic – is faulty. But he had no easy task: devising a scenario on which to thread the particular scenes that the composer wished to set, writing words to fit tunes that VW sent him. Yet as decades go by, libretto failings and infelicites of diction – as also in *Ballo*, *The Rape of Lucretia*, *The Midsummer Marriage* – pale before the innate merits of a fine score, and *Hugh the Drover* is very well composed.

VW was no operatic amateur. The *Meistersinger* Wagner, Puccini, Smetana, and Charpentier are living, acknowledged influences on *Hugh*, and the opera is an overt, and successful, essay in doing what they did, but with English melodies and English matter. The composer's vision remained pure: the bustle and babble of a Cotswolds fair, the sun's first rays striking a church steeple, the songs of dawn-returning may-gatherers. Child's faulty dramaturgy was acknowledged in VW's several later revisions of the second act. In 1933, Beecham conducted a new start to Act 2: an added half-hour afternoon scene of very beautiful music, including solos for John the Butcher and for Aunt Jane. The composer felt ambivalent about it: he recommended its omission but nevertheless left it in the later scores. Sadler's Wells, Camden, the Angel recording, and the Juilliard omitted it, but I hope one day to hear it.

For English eyes and ears, the Juilliard show was riddled with solecisms. The scene suggested Nuremberg-in-the-Cotswolds. Some of the characters – but, fortunately, not the principals – adopted those strangely distorted vowels, unheard except on the stage, that Americans sometimes assume as a "British" accent. But the opera moved well. The young performs were zestful and able. Above all, the Juilliard Orchestra, conducted by Richard Bradshaw, played with beauty and with spirit.

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At Mannes College, the Camerata – the city's chief provider of 17th-century opera – gave the American première of Cesti's *Dori*, one of the three hit operas of its day. Although *Dori* was composed for Innsbruck (1657), and was then given in Florence, at a Medici wedding, before reaching the public, theatres, it has a characteristically Venetian plot. Dori, a princess, is in disguise as a slaveboy, and her brother Prince Ptolemy is disguised as a harem girl: plenty of opportunity for sexual misunderstandings before, with a Gilbertian revelation, all ends happily.

Sleep scenes; short arias flowing into and out of arioso and recitative;love's pangs; an old nurse (played by a man) who hopes that love has not yet passed her by; many characters . . . Cesti may not have Cavalli's melodic genius,but *Dori* flows gracefully, amusingly, and ingeniously, and at least one aria touches heights of lyrical inspiration.

Paul Echols, the Camerata director, made the edition and the English translation and produced in lively fashion. Mannes performs in a large uptown salon, once a convent refectory, which is pleasingly intimate. Michael Ganio had piled an attractive, ingenious set against one of the walls. The pure singing, vivid phrasing, and communicative presence of Alexandra Montano, a Mannes graduate and now a valued New York soprano, were outstanding. Carola Glaser, a Camerata newcomer, as Ptolemy, showed great charm of manner and well-formed, captivating tone, but her pitching was sometimes careless.

Andrew Porter

Philharmonia

FESTIVAL HALL

On Sunday and on Wednesday Libor Pesek, the principal conductor of the Liverpool Philharmonic, presided over two Philharmonia concerts. Each programme added an exhibit to the South Bank's Szymanowski festival, and they shared a ground-plan beyond that: two more East European works, one of them a concerto, and a safe "Impressionist" favourite. It was odd that the concerts should have made such different impressions.

On Wednesday, Janácek's epic *Taras Bulba* sounded well prepared, idiomatic and reasonably rousing; the final peroration can have a huge effect as a sort of expiatory release, a resigned triumph, but it didn't reach to that. If the orchestral part of Bartók's Violin Concerto was less confidently shaped, that was surely because Dmitry Sitkovetsky gave the dominating solo part hardly any shape at all. Non-committal phrasing, rhythmic slackness and total neglect of the "Hungarian snap" that studs the melodic lines suggested a brief, cautious acquaintance with the music.

Since we know Sitkovetsky to be a much better artist than that, this must have been a premature try-out. Contrariwise, in Szymanowski's *Symphonie Concertante* the pianist Janina Fialkowska addressed her "concertante" role with assured subtlety as well as broad, ringing authority; but here the solo player is only a partner, unlike Bartók's soloist, and she didn't inspire the orchestra to match her. They offered only a subfusc sketch, and Pesek allowed the essential tension in the driving Finale to waver and flag.

Ravel's *La Valse*, which has its own orgiastic undercurrent, was a risky choice to follow it, and in fact Pesek merely drove through it at relentless speed. How different from their Debussy on Sunday, *L'Après-midi d'un faune*! – to which Pesek brought more urgent passion than usual, but also extreme sensitivity to tiny details, with not only a stylish flute but an oboist who knew that his last solo is the expressive heart of the piece.

In that programme the Szymanowski was his early Concert Overture op. 12, which teems artfully with ideas mostly taken straight from early Richard Strauss. Pesek kept the over-egged score translucent beyond the call of duty, and disarmingly eager. He engineered a thoroughly satisfying account of Janácek's imperishable Sinfonietta, too: one which made maximum play with the composer's riskiest, most characterful inventions, but also sustained the full sweep of the canvas.

This time the concerto was young Chopin's E minor one for piano. Though its orchestration is held in low regard Pesek made it seem vividly telling, and a perfect backdrop for Cécile Ousset's marvellous incarnation of the central role. It revels in datedly clever piano-mechanics *à la* Hummel, which she rattles off with more infectious physical relish than almost any pianist alive; yet the main thematic stuff, forward-looking and richly suggestive, cries out for personal nuances – and Ousset did it proud.

David Murray

ARTS GUIDE

June 8-14

OPERA AND BALLET

London

Royal Opera, Covent Garden. The new production by Bill Bryden of Janacek's *Cunning Little Vixen* is conducted by Simon Rattle. Latest round of the company's much-revived *La Bohème* production by John Copley; Antonio Pappano (house debut) conducts.

Kirov Ballet continues a season at the Coliseum with *Le Corsaire* (Fri, Sat), then brings in *Swan Lake* (Mon-Wed).

Royal Ballet at Covent Garden presents *A Month in the Country* and *Song of the Earth* (Sat) and *Romeo and Juliet* (Tues).

English National Opera, Coliseum. No performances until August.

Paris

Opéra. Taylor, Cunningham, Morris bring questions of psychology, of perception and of provocation to the Paris stage (47425371).

Théâtre de la Ville. Dominique Bagouet is followed by Josef Nadj and the JEL Theatre with *Death of the Emperor* (42742277).

Brussels

Palais des Congres. Maxzygmunt Orchestra and the Louvain-la-Neuve chorus in *Don Giovanni* conducted by Philippe Mercier, staged by Ronny Lauwers.

Théâtre Royal du Parc. Transparant Chamber Opera in two short operas, *L'Oca del Cairo* and *Lo Sposo Deluso* by Mozart, conducted by Hans Rotman and staged by Eddy Habbema.

Berlin

Opera. Andreas Schmidt Lieder recital, accompanied by Rudolf Janssen in an all Schumann programme. *Tosca*, and, in repertory: a ballet evening with three pieces, choreographed by Maurice Béjart, *Rigoletto* in Hans Neuenfels' production. Also a Ruthild Engert Lieder recital and *Der Barbier von Sevilla*.

Hamburg

Opera. The Brecht/Weill opera *Aufstieg und Fall der Stadt Mahagonny* produced by Guenter Kraemer has its premiere this week conducted by Bruno Weil.

Frankfurt

Opera. *Rusalka* has fine performances by Clarry Bartha and Eva Randova. *Ariadne auf Naxos* has Helena Doese, brilliant in the title role. The successful *Clemenza di Tito* production, by the Lievi brothers returns. Further offered Gluck's *Iphigenie en Tauride* and *Il Barbiere di Siviglia*.

Cologne

Opera. *Die Hochzeit des Figaro* features Ashley Putnam, Jake Gardner, Teresa Ringholz and Alessandro Corbelli.

Bonn

Opera. *Macbeth* and *Das Rheingold*. Last performance of the Youris Vamos ballet *Coppelia*. stars Wagner specialists Siegmund Nimsgern, Graham Clark, Manfred Schenk and Hanna Schwarz. Also, a lively *Barbier von Sevilla* production

Munich

Opera. Strauss' rarely played *Die Liebe der Danae* has a strong cast led by Sabine Hass, Andrea Trauboth and Paul Frey. *Der Widerspenstigen Zähmung* has wonderful John Cranko choreography. Also *Nabucco*, further performances of Mose and a mixed ballet programme.

Stuttgart

Opera. This week includes three operas by Philip Glass, *Einstein on the Beach*, *Satyagraha* and *Achnaton*. Also *Falstaff*.

Madrid

Mara Zampieri recital. Vivaldi, Haydn, Mozart, Mercadante, Bellini (Mon). La Union y el Fenix (336 24 82).

Rome

Teatro Valle. As a prelude to the summer season at Terme di Caracalla, and in honour of the World Cup, the Teatro dell'Opera offers three performances (opening Thur) of Paisiello's *Don Chisciotte* in Pino Micol's production with sets and costumes by Ugo Nespolo. Gail Gilgor conducts (654.3794).

Florence

Maggio Musicale: Teatro Comunale. Luciano Pavarotti sings Manrico in Giuliano Montaldo's traditional production of Verdi's *Il Trovatore*, conducted by Zubin Mehta. (2779236).

Teatro Verdi. Promising event of this year's Maggio is British director Graham Vick's new production of the Brecht/Weill opera (sung in German with Italian surtitles) *Ascesa e Rovina della Citta di Mahagonny*, with Luciano Berio as co-ordinator of the project, and Jan Latham Koenig conducting. (2779236).

Venice

Teatro la Fenice. Wagner's *Lohengrin*, designed and produced by Pier Luigi Pizzi, with Francisco Araiza and Ana Pusar, conducted by Christian Thielemann. (5210161).

Turin

Teatro Regio. Gianfranco Bosio's production of *Aida*, conducted by Maurizio Arena. (8815241).

Washington

Hubbard Street Dance Company. Chicago's popular jazz-influenced troupe arrives with repertory numbers *Read My Lips*, *The 40s* and *Shakti*. Kennedy Center Eisenhower Theatre (467 4600).

New York

American Ballet Theatre. The 50th anniversary season includes this week Mikhail Baryshnikov's staging of *Giselle* as well as an All Twyla Tharp evening. Season ends June 30. Opera House at Lincoln Center (362 6000).

Tokyo

Nederlands Dance Theatre. *Stamping Ground*, *Arenal*, *Silent Cries*, *Six Dances* (Tues, Wed); *Shaker Loops*, *Falling Angels*, *Soldiers Mass* (Thur). Bunkamura (366 9999).

SALEROOM

Kakiemon comes into its own

After centuries of living in the thrall of Chinese porcelain, Japanese porcelain, especially the output of the Kakiemon family from the 1640's onwards, is coming into its own. Christie's set an overall record of £660,000 on Tuesday for a perfect bowl, and yesterday Sotheby's managed a new high for a Kakiemon figure when two groups of wrestlers, moulded around 1680 but looking remarkably like the Sumi wrestlers of today, sold for £330,000 to a Japanese dealer.

In the past the Japanese have shown relatively little interest in ceramics which were chiefly made for export to Europe but now they are keen collectors. The price doubled the high estimate. A pair of Arita dogs, of around 1700, sold for £132,000, and Spink, the London dealer now itself up for auction, paid £46,200 for a large Kakiemon style underglaze blue dish, made around the same time. The auction totalled £847,880 with just over 10 per cent unsold.

The Wingfield Digby family has been keen collectors of Kakiemon porcelain for generations and the group of 44 lots, built up by Cornelia and the late George Wingfield Digby over the last forty years was sold by Sotheby's yesterday for £558,030, again with around 10 per cent bought in. A late 17th century figure of a young boy sitting on a Go board, and clutching a puppy, went for £74,800, twice its high estimate.

Staying in the East, three Chinese snuff bottles, Qianlong, (late 18th century), sold well above their high estimates of £12,000 each, two making £19,800 and one, which cost 70 guineas a few decades ago, £16,500. Only two other examples of these mandarin figures are known.

The return to favour of the Irish artist Sir William Orpen continues and yesterday Chrisie's sold his portrait of the Edwardian beauty Mrs Evelyn St George for £220,000, comfortably ahead of the £150,000 top estimate. "Fishing boats Antibes" by Sir Herbert Gunn went for £40,700 and a portrait of a little girl by Dod Procter realised £34,100.

Dan Dare may be a fond memory but original artwork of his exploits in *The Eagle* failed to set the world alight at Sotheby's yesterday. Best price was the £1,045 for three sheets of original illustrations by Frank Hampton but prices were within estimate and some lots were unsold. Beatrix Potter has survived much better and a drawing of two rabbits in a potting shed from *The Tale of Peter Rabbit* made £15,950.

Antony Thorncroft

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Mad cows and Englishmen

OPTIMISTS will no doubt claim that the patching up yesterday of the European Community's bitter internal quarrel over "mad cow" disease is a triumph of political compromise and good sense. The threat of a full-scale political crisis has been averted, mutual trust between EC governments has been restored and the normal pattern of agricultural trade is free to resume.

That interpretation, however, ignores the obvious question of why the whole episode was allowed to assume such grotesque proportions in the first place. Why did at least three EC countries deem it necessary to violate their Rome Treaty commitments and 12 farm ministers have to hold marathon negotiations, simply to secure a British undertaking to certify that "bone-in" beef exports come from herds free from bovine spongiform encephalopathy (BSE)?

Had the sole objective been to safeguard the health of EC consumers, it should have been possible to settle the problem rapidly and in a much less confrontational manner. The truth is that the understandable public concern about risks from BSE was allowed to become the pretext for an unedifying display of political posturing and the promotion of national self-interest.

Such histrionics are, of course, par for the course at meetings of EC farm ministers, who have acquired a well-deserved reputation over the years for being unable to reach agreement on any controversial issue without having first pushed negotiations to the brink of breakdown. In this instance, matters were further complicated by confusion about whose interests the ministers were really representing.

Obstinate defence

There is something faintly ludicrous about EC agriculture ministers posing as champions of the consumer, when their overriding commitment is manifestly to furthering the interests of farmers. This has been demonstrated repeatedly by their obstinate defence of a hugely inefficient farm policy which continues to impose a heavy economic burden on the EC while distorting the pattern of world trade.

The least convincing performance in the BSE follies was by the French government, whose ban on imports of British beef was motivated in large measure by a desire to pacify French farmers' disquiet at the recent weakening of beef prices. It would also be naïve to attribute Dutch and Irish opposition to national import blockades entirely to reverence for the rule of law. As large beef exporters, both countries would have stood to lose heavily from a dislocation of intra-EC farm trade.

Low credibility

As for Britain, it undoubtedly had strong legal arguments on its side in the dispute. However, its political case was weakened by the fact that many UK consumers are sufficiently worried by the safety of British beef to have stopped eating it. Mr John Gummer, the UK agriculture minister, may have a point when he blames scare campaigns in the media. However, he also needs to ask himself why his department's assurances on public health matters do not command greater credibility.

The obvious conclusion is that food safety is much too important an issue to be left solely to agriculture ministries. Standards need not only to be rigorously enforced, but to be seen to be enforced. So long as that responsibility remains with government departments which have long regarded their primary role as the defence of producers, public confidence is likely to be impaired. This is particularly true in the UK, where policies intended to promote intensive farming methods have encouraged the use of dubious animal feed.

The broader point about the BSE affair is that it underlines with renewed force how far agriculture continues to distort the Community's priorities. There was a time, 10 or 15 years ago, when defenders of the Common Agricultural Policy argued that it was the only truly substantive achievement of EC integration. Whatever truth there might have been to that claim has been disproved by the recent willingness of farm ministers to put in jeopardy the principles of the Community's internal market.

Burma and the outside world

IF ANY further evidence was required that the people of Burma want a multi-party democracy to replace the present military dictatorship, it was provided by the recent general election. What was surprising was not the sentiment revealed by the voting, but the willingness (or blunder) by the military regime in allowing the first results to be made public.

These results have shown substantial popular support for the National League for Democracy, an opposition party established during the mass pro-democracy demonstrations in 1988 and headed by Aung San Suu Kyi, who is under house arrest, and by General Tin Oo, who is serving a three-year jail sentence.

The State Law and Order Restoration Council, consisting of military officers whose first act in September 1988 was to crush the pro-democracy movement, now has a rare opportunity to redeem just a little of its appalling record on human rights and economic mismanagement by permitting a swift and orderly transition of power.

As a minimum first step it must immediately order the release from detention of Aung San Suu Kyi and General Tin Oo whose capacity to command both loyalty and discipline among the people will be urgently needed.

The military will, however, compound Burma's recent tragedies if it again prevaricates or, worse still, chooses to ignore the voice of the Burmese people expressed so vigorously after years of political repression. There are already danger signs. The army leaders are threatening to retain power until a new constitution has been drawn up which they say could take two years or more; the opposition says it can be done in three days.

Exerting leverage

The outside world can help. Nearly three decades of self-imposed isolation has meant that the leverage which can be exerted on General Ne Win (who overthrew the last elected government in 1962) and other senior officers is limited. But they are still susceptible to external pressures, otherwise they would not have bothered to hold elections.

The international community, particularly Japan and Germany, need to make even more clear to Burma that the ban on new economic aid will remain if it continues to ignore domestic and international opinion. Japan's refusal to resume more than a small part of an aid package worth more than $250m a year to Burma before 1988, is to be applauded. Japan's position should be the touchstone for other nations: no aid negotiations with Burma before a political settlement consistent with the wishes of the Burmese people has been agreed and economic reforms have been instigated. Foreign companies, currently making substantial investments in Burma might reasonably ask themselves whether further such moves, which sustain one of the world's least acceptable regimes, make good business sense at such a dangerously unstable time.

Foreign pressure

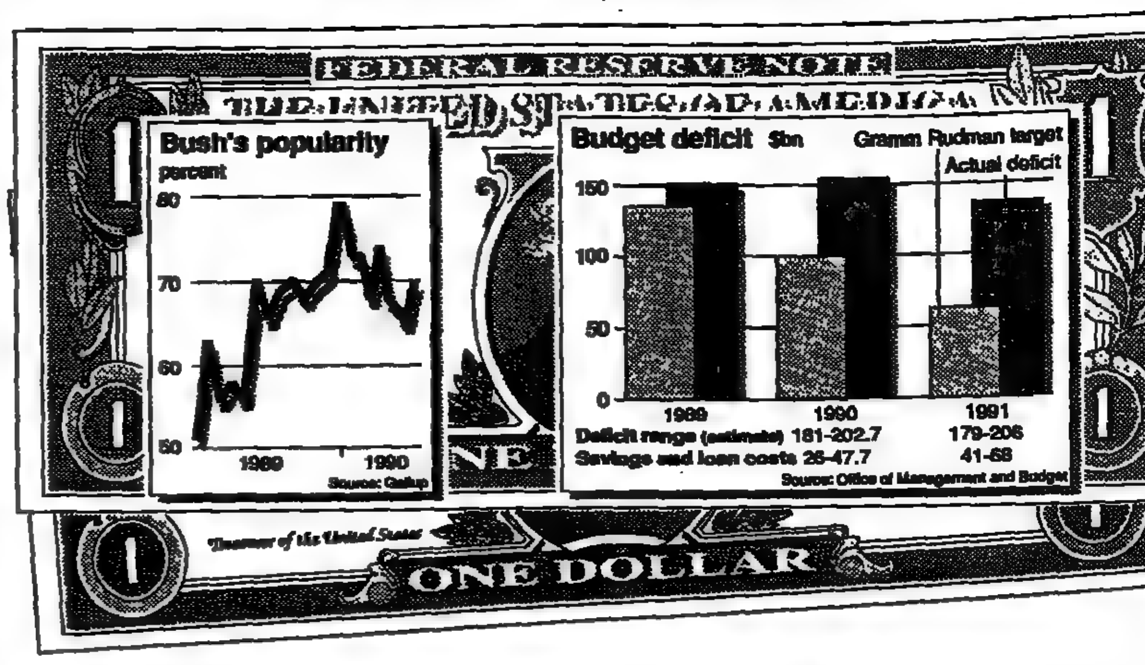
Equally the Burmese military should not be left in doubt about the benefits which will flow from working with rather than against the population.

Speed will be important. The State Law and Order Restoration Council, together with the immensely powerful military intelligence agencies, appears to have been caught momentarily off balance by the sheer size of the vote for the National League for Democracy. Unless a decisive shift of power within the military establishment is under way, it may not be long before the top military leadership starts to find ways of delaying, distorting and disrupting the democratic process which should flow from the elections.

Firm and persistent external pressure on the regime is essential, particularly as the results of fewer than 25 per cent of constituencies have so far been officially declared. The regime has said it is willing to transfer power but has warned again that it would not tolerate threats to law and order or to national unity. On September 18 1988, when it first promised to hold elections, the regime issued a similar warning. The next day troops opened fire on demonstrators.

The US President faces his greatest challenge since taking office over how to reduce the Budget deficit, says **Peter Riddell**

The bottom line for Bush



George Bush's well-established coalition style of presidency is about to face its stiffest test. The outcome of the current negotiations with Congress about how to reduce the Budget deficit will determine whether he can break the fiscal constraint which limits almost everything his administration can do domestically.

Mr Bush has to decide how far he is willing to go in backing the potentially unpopular spending cuts and tax increases needed to tackle the deficit. In short, can he show leadership?

His managerial/co-operative approach is well suited to the current international scene, with the cold war ending and the US seeking a series of partnerships overseas. But it has reinforced tendencies towards stalemate domestically with hard decisions being deferred. Serious problems, typified by the Budget deficit and the soaring cost of reorganising the savings and loan industry – the largest financial rescue in American history – have not gone away, and require resolution.

Mr Bush is having to deal with the legacies of the Reagan era while operating under two constraints, one self-imposed, and other external. He has limited his own freedom of manoeuvre over the Budget by his 1988 campaign pledge of "no new taxes."

Moreover, as a Republican president faced by Democratic majorities in both the Senate and House of Representatives, Mr Bush has to manage a coalition. He can use his veto powers to block congressional measures he dislikes – such as state funding of abortions – but Democratic leaders can block administration initiatives they dislike, such as last year's proposed cut in capital gains tax. They can also add favourite local projects to spending measures to undermine fiscal discipline.

These constraints, together with his own caution, have resulted in a risk-averse strategy. Unlike Mr Reagan in the early years of his presidency, Mr Bush has not gone over the heads of the congressional leadership to win the support of voters and rank-and-file legislators. Important initiatives, such as last year's savings and loan rescue or the current clean air legislation, have only advanced as a result of compromises between the White House and Capitol Hill.

To judge by the opinion polls, American voters are in a confused and uncertain mood. By a large majority they approve of the job Mr Bush is doing as president, particularly his handling of foreign policy. But his approval rating is down slightly to about 70 per cent from its peak in the upper 70s, and doubts about the economic outlook have grown. Two recent polls have shown a marked shift to a clear majority saying America has "gotten pretty seriously off on the wrong track."

There is no sense of national crisis, as there was during the 1970s, but rather a feeling of apprehension. There are worries both about the US's long-term competitive position in face of the challenge of a uniting Europe and, particularly, Japan, and about social problems such as the dire state of public education, a deteriorating infrastructure, drugs and urban crime. Many of Mr Bush's advisers are worried about these long-term problems. But from the President himself there has only been the most general nod of concern.

There was, for instance, what was aptly called a "slide-by" Budget package last year. With a bit of fudging this hit the deficit target of $100bn for the 1990 fiscal year under the Gramm-Rudman deficit reduction law. Even though there was no tough action, there was also no scope to fulfil Mr Bush's promises of being the environment or the education president, both of which cost money. The deficit has fallen as a share of the total economy and is small by comparison with total Federal spending of $1.2 trillion, but it is big in relation to the low level of US savings. Fiscal constraint has, therefore, put off measures to help competitiveness, such as changing the corporate tax structure.

However, this muddling-through approach is now under threat. The combination of a slowdown in the economy (or, rather, a more realistically cautious short-term forecast), and higher than expected interest rates has pushed the estimated 1990 deficit to $55bn above the target. For 1991 the official estimate of the deficit is now nearly $38bn higher than the $100bn projected in the administration's Budget last January – against a target under Gramm-Rudman for 1991 of $64bn.

Fighting higher taxes is the one remaining issue where the Republicans have been at an advantage

In addition, costs of the savings and loan rescue could add on between $26bn and $48bn in the current fiscal year and between $41bn and $68bn in 1991. These figures are merely a small part of a rescue which could cost well over $300bn during the 1990s.

A gap of $74bn above the 1991 target is too big to be papered over. Moreover, across-the-board spending cuts, known as sequestration, of about $60bn to $70bn will automatically come into force by law when the fiscal year starts this October unless an acceptable package has been approved by Congress. Since roughly two-thirds of all spending, covering pensions, already-contracted defence projects and naturally debt interest, is exempt from sequestration, the cuts could be as much as 20 per cent for programmes such as public housing, education and science.

Such cuts could be politically unacceptable with mid-term elections for a third of the Senate and the whole House of Representatives in November. Moreover, as Mr Richard Darman, the Budget Director, has acknowledged, a declining inflow of overseas capital could mean upwards pressure on interest rates. This could, in turn, tilt the US economy from its present slow growth into recession.

It was the starkness of the Budget figures – in effect a belated acceptance of the reality long accepted by congressional economists – that triggered the summit, rather than any immediate financial crisis.

The announcement in early May of negotiations with "no pre-conditions" started off a wave of speculation that Mr Bush was about to abandon his "no new taxes" pledge. Republican strategists warned of the potential electoral damage if he retreated over taxes. With the cold war won and opposition to abortion a net vote loser, fighting higher taxes is the one remaining issue where the Republicans have been at an advantage to the Democrats. Mr John Sununu, the combative White House Chief of Staff, suggested that, while the Democrats were free to propose tax increases, the administration would still oppose them. This remark was quickly disowned, but it created a feeling of suspicion and mutual mistrust.

No pre-conditions has so far meant that nothing rather than everything is on the table. The Democratic leadership wants to avoid being saddled with the blame for a tax increase, arguing that it is up to the President to offer his proposals. The administration has equally been reluctant to make the first move, with Mr Bush saying he will take a public stand once a deal has been agreed.

The result has been a paralysis of policy-making. Two weeks ago, Mr Bush appeared to cede fiscal responsibility to Congress which, he said, "appropriates all the money and raises all the revenues. That's their obligation." An angry Senator Lloyd Bentsen, the Democratic chairman of the Senate Finance Committee and vice-presidential candidate in 1988, recalled former President Harry Truman's famous desk-top message: "The buck stops here." The senator argued that, "the President's the one who called this summit. If the problem is that serious, the American people are entitled to hear how serious it is."

For much of the past decade President Reagan said there was not a deficit problem. So, according to the House Speaker, Tom Foley, the American public is not prepared for the necessary tough Budget medicine. It may be very difficult to get both parties in Congress to approve the measures. Mr Foley has urged Mr Bush to take a lead, arguing that, "the public will not understand a reticent or inactive President."

There are limits to what the Democrats will accept in freezing or cutting domestic programmes

The most likely result when bargaining begins in earnest is a package including:

- An adjustment in the statutory deficit reduction targets, postponing the achievement of a balanced budget by at least a couple of years.
- A cut in the deficit of at the very most $50bn to $55bn in fiscal 1991, and probably not much more than $40bn with a mix of real cuts and gimmicks. The largest previous cut was $25bn after the stock market crash in 1987. The negotiators are still talking, however, about a five-year reduction package of $550bn-$600bn (the Democrats) and about $450bn (the Republicans).
- A tightening of Budget disciplines, both to remove some of the loopholes in the Gramm-Rudman process which impose no penalty on spending once the fiscal year has started and to cap possible Federal liabilities on state-guaranteed deposit insurance and mortgage guarantee funds.

The key question is the mix. There are limits to what the Democrats will accept in freezing or cutting domestic programmes, notably retirement pensions or Medicare health programmes. While defence spending is likely to be at least $8bn to $10bn less than the administration proposed last January, the Pentagon will strongly oppose much larger cuts in the short term.

This leave taxes. Mr Bush's "no new taxes" pledge has always been elastic and has left room for what Mr Darman has called loophole closers, revenue enhancers and user fees, including airline ticket and telephone taxes. Last year's Budget included $5.5bn from such devices and the administration has already proposed nearly $20bn in increased receipts and user fees for 1991 – "some of which," Mr Darman has said, "some people would call taxes, some of which some people wouldn't."

Mr Darman's duck test – "if it walks and quacks like a duck, it is a duck" – still applies. A tax increase is what the public regards as such: namely higher income taxes, a sales tax and increases in energy and sin (alcohol and tobacco) taxes. The Republicans will resist any increase in the marginal rate of income tax which the Democrats will press for as a pre-condition for any cut in capital gains tax. More likely is some increase in indirect taxes with a new environmental tax on pollutants and a broad-based energy tax being currently floated.

There has been some evidence in opinion polls of a lessening in public opposition to tax increases, with two-thirds of voters saying it will make little or no difference to their opinion of Mr Bush if he accepts tax increases as part of a deficit reduction package.

Moreover, on Tuesday, California voters approved, by a 52 to 48 per cent margin, a referendum proposition doubling its, admittedly low, gasoline or petrol tax over four years to finance spending on roads and mass transit. This is significant not only because of the size of California but also because the state saw the birth of the anti-tax revolt in 1978 when Proposition 13 was passed holding down local property taxes.

Washington's reaction has been cautious. Mr Leon Panetta, the Democratic chairman of the House Budget Committee, and himself from California, has argued that the vote "confirms that people are willing to pay additional taxes if they know they are going for a specific purpose." But backing an earmarked tax may not translate into support for a general increase in taxes, though Mr Arthur Laffer, the evangelist of self-financing tax cuts, has pronounced the tax revolt over.

There are big regional variations, even between the Democratic chairmen of the two main tax-writing committees. The House Ways and Means chairman, Dan Rostenkowski, who represents an urban Chicago district, has always favoured an increase in gasoline/petrol tax, while his Senate opposite number, Lloyd Bentsen, from the wide open spaces of Texas, has been strongly opposed.

Unless President Bush is prepared to take the lead, and Congress becomes less negative, the result will confirm Mr Darman's description last January of the annual Budget ritual – "stalemates are followed by heroic compromises that earn the parties self-congratulation, but somehow leave much of the serious job to the future." There may not, yet, be any overwhelming political or market pressure to tackle the serious job, but until there is, Mr Bush's ability to advance his domestic programme will be severely constrained.

OBSERVER

In and out at the Fed

■ Manuel Johnson – more generally known as Manley – has made the biggest splash in a discreet term at the US Fed with his unexpected decision to leave on August 3. He has made a name as a loyal and highly successful vice-chairman, and Alan Greenspan leant on him heavily.

Johnson's decision to go is a reminder that for all his decade of service and impressive manner – he really deserves the term "gravitas" – he remains a young man in a hurry. He is only 41, and clearly wants to make more of a mark in the world than can tactfully be done by a loyal number two, even one generally regarded as heir-apparent to one of the most prestigious jobs on earth.

The likeliest reason for his going is the growing conviction that Greenspan, whose term expires next year, wants another term – and will almost certainly get it.

Johnson has also switched his professional interest as an economist from domestic matters and his old supply-side loyalties to the international scene. His new department at George Mason University in Virginia for the study of global markets will put him right at the cutting edge. His new Council, which has self-confidently picked its own acronym, G7C, will keep him plugged in to the decision-making network.

From such a position, he will still look like a strong candidate for the Fed post in the end, if not heir-apparent.

Harvard Brit

■ Dudley Fishburn, the Tory MP for Kensington, has become the first Briton to be elected an overseer – which means, if effect, a member of the governing board – of Harvard University.

Fishburn was one of the very few Etonians to go directly to Harvard as an undergraduate. His housemaster told him at the time that it was an "unKiplingesque" thing to do, apparently overlooking Kipling's associations with the US.

Clearly it did Fishburn no harm. He has been President of the Harvard Club of London since 1975 and is a trustee of the Open University Foundation. At Harvard he will be helping to preside over one of the richest foundations in the world, while the Open University provides for some of the least advantaged students.

Fishburn eventually became an MP almost by accident. He was executive editor of The Economist and had almost forgotten that he was still on the Tory candidates' list. Then the Kensington by-election came up in 1988: he was invited to put his name forward, and won.

Vive Mandela

■ Monica Seles duly dispatched Jennifer Capriati in the French Open semi-finals at Roland Garros yesterday, but French eyes were riveted on another match, as François Mitterrand and Georges Marchais, head of France's Communist Party, slugged it out to gain maximum mileage from Nelson Mandela.

Mitterrand had more shots at his disposal: a hundred white-robed violinists to play Nkosi Sikelel' i Africa on Wednesday night, and lunch at the Elysée Palace yesterday.

Marchais has staying power, however, and he has more to play for these days: no-one else, and certainly no-one of such international stature, will speak to the Communists any more. He scored a winning point by backing Mandela's demand for sanctions against South Africa to remain in place, something Mitterrand was unable to do for fear of

"Damn this heat, Carruthers."

irritating his EC partners.

The real losers, as usual, were the Parisians, blocked off from a vast area around the Trocadero by riot police for four hours before Mandela's arrival. This may be because the French Government thinks that the quality of its welcome is measured by the size of the traffic jam it can provoke. Even a minor head of state warrants closing the Champs Elysées for an hour. Mandela scored higher than any event since last year's Bicentenary celebrations, and comfortably outstripped Yasser Arafat.

Ritual sacking

■ If football managers feel a little nervous about their tenure at the start of the World Cup, they should be thankful they are not baseball managers in New York.

Barely a week after the New York Mets fired Davey Johnson, out went Bucky Dent, the Yankees' manager. That was not exactly surprising since George Steinbrenner, the principal owner of the Yankees, has so far made 19 managerial changes in 17 years.

There is a familiar pattern. At the beginning of the season, Steinbrenner promises no interference and undying support – only three months ago he assured former player Dent that he would be "my manager all year". Then, when the team performs badly, rumours start of disaffection and before long the manager departs.

Often in the past Steinbrenner turned to the former star, Billy Martin, as his mid-season saviour. But having managed the Yankees five times and finally being fired two years ago, Martin was killed last winter in a car crash. So this time Steinbrenner has turned to the amiable unknown Carl "Stump" Merrill to create success out of a shambles of a playing staff which was supposed to be the best that a cheque book could buy.

Meanwhile, Lou Pinella, the last-but-one manager to be sacked, has some consolation. He now runs the Cincinnati Reds, which has the best record in baseball.

Swiss socks

■ We reported yesterday that the London Bullion Market Association has warned its members about the perils of wearing white socks with a business suit, especially in Switzerland.

Verena Cole, a British reader working in Zurich, tells us that the LBMA has got it all wrong. She says that the vast majority of Swiss businessmen in Zurich – from the chairman down to the bank clerk – wear white socks all the time. They do so with a navy blue suit. Moreover, they also carry male handbags, which she thinks contain spare socks.

According to Cole, there is a British community in Zurich which specialises in identifying non-Swiss by the colour of their socks at 50 paces.

Definition

■ Archaeologist: someone whose career lies in ruins.

Union Bank of Finland profits fall by 56 per cent

By Our Financial Staff

UNION BANK of Finland (UBF), one of the big two Finnish banks, suffered a sharp 56 per cent fall in profit before extraordinaries, appropriations and taxes for the first four months of 1990 to FM247m ($62m) from FM560m in the same period 1989.

Mr Ahti Hirvonen, chairman, said the consolidated result was modest but showed improvement over the last third of 1989 when the bank was affected by the same negative factors.

High domestic interest rates caused a sharp rise in funding costs. Consolidated non-interest income fell due to a bank strike this year and a drop in profit from the sale of current and investment assets, he said.

Consolidated credit write-offs for January-April were FM151m against FM130m in the same period last year.

Mr Hirvonen said that despite cost cutting and occasional positive factors, the 1990 consolidated result would not be satisfactory.

During the past few years UBF has merged the operations of over 100 branches and cutting staff, the bank said.

It predicted the future tax treatment of deposits may narrow interest margins.

Interest expenses had risen as much as 36 per cent. Cash reserve expenses were FM97m against FM53m a year earlier.

Taxes booked in the first four months were FM118m against FM73m, a rise attributable to a switch to a new corporate tax system, the bank said.

Consolidated return on equity in January-April 1990 was 3.6 per cent and return on assets 0.26 per cent. Consolidated earnings per share were FM0.40 against FM1.55 in the first four months of 1989, the bank said.

COMPANY NEWS IN BRIEF

Société Générale de Belgique, the Belgian holding company, is to put up BFr1.5bn ($42.7m) to keep its ailing arms-making unit, Fabrique Nationale Herstal (FN), afloat until September, AP-DJ reports.

After an extraordinary general assembly, La Générale, which owns a 73-per cent stake in FN, also said it would reshuffle FN's management for the second time in three months.

FN lost about BFr800m in the first five months of the year, according to La Générale.

Separately, it emerged that only 45.3 per cent of the 2m shares in Belgian non-ferrous metals company Acec-Union Miniere offered by La Générale, its parent company, were bought by investors, the lead manager Générale Bank said. The remaining 54.7 per cent of unsold shares were bought by the bank. La Générale had aimed to sell 8 per cent of its holding in Acec-UM to investors.

■ **Philips**, the troubled Dutch electronics group, said that it would hold an extraordinary meeting of shareholders on July 2 to ratify several earlier announced shifts in its top level management.

Shareholders will be asked to approve the appointment of Mr Jan Timmer as president of the company and chairman of the board of management from July 1, replacing Mr Cornelius Van Der Klugt, who will retire one year earlier than expected.

■ **Whirlpool**, the US white goods group, has signed an agreement in principle with Matsushita Electric of Japan to produce vacuum cleaners for the North American market. The venture will own Whirlpool's vacuum cleaner plant in Danville, Kentucky.

■ **First-quarter sales and profits at Denmark's East Asiatic Company** were hit by the appreciation of the Danish kroner against main trading currencies, which contains no figures, Hilary Barnes writes.

Allowing for exchange rate changes, both sales and gross profits increased. Difficult conditions in liner shipping in the Far East and intense competition in the graphics equipment market, in which EAC is a major supplier, are exerting a negative effect on earnings.

■ **Bergesen**, Norway's biggest shipping group, yesterday announced that it had doubled pre-tax profits in the first four months of this year to NKr391m ($60.2m) in spite of rising operating costs, writes Karen Fossli.

Group operating profits rose to NKr199m in the first four month period from NKr81m last year while group operating profit, before depreciation, increased to NKr335m from NKr226m. The group forecast improved results for 1990 as a whole because of better operating conditions. Operating profits for crude oil tankers are expected to be "significantly" better this year, but lower for dry cargo.

■ **Oerlikon-Bührle**, the Swiss arms maker, is selling its guided missile manufacturing operation to US aerospace group Martin Marietta. Terms were not disclosed. Oerlikon will retain partial ownership of missile technology and its distribution rights outside the US.

Oerlikon has put sales of its whole missile business at around SFr800m ($559m) a year. Its centrepiece is the ADATS anti-tank missile, developed with Marietta.

■ **Mobil Oil AG**, the West German operating unit of Mobil of the US, said 1989 net group profit more than doubled to DM194.4m ($115m) from DM91.8m a year earlier. It cited higher earnings in exploration and production divisions, which benefited from higher natural gas volume sales, increased prices for domestic crude oil and a range of measures aimed at cutting costs, AP-DJ reports.

But the company also said that refining and marketing units still are not contributing "in a satisfactory" manner to the group's operating earnings. It cited sharply lower refining margins and "extremely low volume sales" of light heating oil at the beginning of the year as factors.

A change of face for Swedish store

By Robert Taylor in Stockholm

NORDISKA Kompaniet, the Harrods of Sweden, is being forced under financial pressure to transform itself from a high class department store into a galleria where boutiques, specialised shops and international brandnames will operate through a renting arrangement.

NK will keep its name and ownership of the properties in prime city sites in Stockholm, Gothenburg and Malmo.

The board of NK, which is mainly owned by the Axel Johnson group's holding company Nordstjernan, decided to take this drastic step yesterday in the face of the mounting losses at its stores.

The board said it had decided to revitalise NK through a galleria concept because the old style of a department store was no longer appealing to customers. An estimated 18m people every year walk through NK stores but only a quarter of them buy anything.

Like department stores in other countries NK has fallen foul of the change in consumer habits with the rapid growth of low price hypermarkets.

Since the second half of 1988 NK has been hit by falling sales which have a negative impact on its results. Last year alone the NK stores lost SKr86m ($14m) and the financial decline has continued.

NK is one of Sweden's venerable institutions so its demise has come as a shock to many people. Founded in 1902 through a merger of Stockholm's two biggest retail trade companies, it became the flagship of the Axel Johnson family business with stores in St Petersburg and Moscow before the 1917 Revolution. Under the direction of its founder, Mr Josef Sachs, NK was built up as Sweden's answer to Harrods, Marshall Field in Chicago and Berlin's Wertheim.

The NK board hope that their shops-in-shop concept will revive the fortunes of the stores, retaining the NK identity but diversifying its customer sales appeal. One thing NK intends not to do is go downmarket.

BNP plans winding up of troubled W African bank

By George Graham in Paris

BANQUE Nationale de Paris (BNP), the leading French state-owned bank, is preparing the orderly winding up of Banque Internationale pour l'Afrique Occidentale (BIAO), the troubled West African bank it had to step in to rescue in 1988.

BNP, which owns 51 per cent of BIAO in partnership with Union Bank of Switzerland and Banco do Brazil, plans to vote through the voluntary liquidation of BIAO Paris at a shareholders' meeting next Friday. BIAO Paris has a negative net asset value of over FFr400m ($70m), even before the cost of laying off its staff.

"We believe this bank has no specific stock in trade and is not viable. There is no reason for it to continue to make losses," said Mr Emmanuel Philippon, head of BNP's international division.

At the same time, BNP is withdrawing from the three biggest and most heavily loss-making West African subsidiaries, paying up for its share of their accumulated losses and handing control to their respective governments. It has already paid up to Senegal and Côte d'Ivoire, and expects to reach agreement soon with Cameroon.

"We believe that these banks, too, are not viable, and the best thing would be to close them, but we are doing our duty as shareholder," Mr Philippon said, adding that neither of the potential buyers which had looked at the troubled subsidiaries had been serious candidates.

Whereas UBS and Banco do Brazil are expected to bear their share of the losses for BIAO Paris, in Senegal, Côte d'Ivoire and Cameroon BNP will carry the burden alone.

In the remaining countries, BNP plans to take over the BIAO operations. In countries where its existing African bank network, BICI, is not present, such as Mali or Niger, it plans to convert them into BICI offshoots; in others, such as Togo or Gabon, it intends to merge them with the local BICI networks.

Benetton forecasts profits rise

By Haig Simonian in Milan

TURNOVER at Benetton, the leading Italian clothing group, should rise by about 20 per cent to about L2,000bn ($1.6bn) this year, against L1,658bn in 1989, according to Mr Luciano Benetton, the managing director.

Profits, which fell by 11 per cent at the net level to L115.4bn in 1989, are set to increase in the same proportion as sales, he said.

Benetton's profits have been stable or declining in the past two years as the company has pursued a policy of increasing market share, even at the expense of earnings. The fall in profits last year was "the result of a clear choice" by the company to stress sales and spend more heavily in areas such as advertising, said Mr Benetton.

However, he indicated that sales and earnings figures for the first five months of this year now showed the trend was being reversed.

Turnover in West Germany to the end of May is some 30-40 per cent above levels for the corresponding period last year, while there are increases of some 20 per cent and 15 per cent in France and the UK respectively, he said.

Even in the more mature Italian market, sales are running about 15 per cent ahead this year, according to Mr Benetton.

Among developments in Benetton's pipeline are two new deals with companies in Japan, where Benetton earlier this year announced a manufacturing and retailing joint venture with a member of the Seibu-Saison group. The two further Japanese joint ventures will cover accessories and shoes, he said.

Housing recession hits Norcros

By Andrew Taylor, Construction Correspondent, in London

PRE-TAX profits of Norcros, the UK building materials, printing and packaging and development group, fell by more than 44 per cent to £37.3m ($59m) in the year to the end of March.

The group blamed the recession in the British housing and commercial property markets for the collapse in earnings.

A maintained dividend of 16p was only just covered by earnings per share of 16.5p. Twelve months earlier, earnings per share were 33.5p.

Turnover last year fell from £644.7m to £470.9m.

Mr Michael Doherty, chairman, said commercial property was suffering from a lack of institutional investors. The housing market, which accounted for more than a third of building product sales, had been hit by a sharp rise in mortgage interest rates, he said.

He said the group would receive some relief this year from its investment in more efficient production capacity, the rationalisation of its ceramic tile business – where 1,500 jobs were being cut – and from asset sales.

The profits from ceramic tiles, where Norcros has recently been under severe pressure from imported Italian and Spanish products, fell by almost two thirds last year from £21.82m to £7.87m.

Comparisons of profits made by the building products division were difficult because of new acquisitions and the sale of some loss-making businesses. But operating profits on a "like-for-like basis" were 5 per cent lower at £25.9m.

UIC sells assets for Singapore takeover

By Joyce Quek in Singapore

FURTHER asset sales by United Industrial Corporation (UIC), the Singapore conglomerate, have meant it has raised a third of the S$1.65bn (US$894m) bill for its acquisition of the Singapore Land property group in the region's biggest takeover.

It put up for sale its stake in the locally listed First Capital Corporation (FCC) and the Tung Centre office block for S$114.8m yesterday. This follows plans for a one-for-two rights issue to raise S$341m, the sale of a Dallas hotel for S$33.3m and two Singapore office buildings for S$64.6m.

The 27.75 per cent stake in FCC has been offered at S$1.65 per share to Dao Heng Holdings, a Hong Kong company to which it had sold a 51 per cent stake in FCC. Dao Heng is controlled by the Malaysian Hong Leong group and the Kuwait Investment Office.

Meanwhile, UIC has installed its own team in the Singland management, creating the posts of chief executive for Mr Oei Hong-Leong and managing director for Mr Leong Chee-Whye. Mr S. P. Tao, Singland's incumbent chairman, is expected to remain until the end of the financial year which which has been changed from August to December.

Strong growth at Laurentian

By Robert Gibbens in Montreal

LAURENTIAN Bank of Canada, the fastest growing unit of the Laurentian financial services group, has posted a second-quarter earnings gain of 42 per cent to C$8.4m (US$7.2m) or 49 cents a share.

For the first half ended April 30, net profit was up 51 per cent to C$17.2m or 97 cents a share. Assets were up 15 per cent to C$5.7bn.

Net interest income rose 17 per cent in the first half, reflecting strong Treasury operations and changes in asset mix. Loan loss provisions were tripled to C$8.9m.

FINANCIAL TIMES
Friday June 8 1990

West eases high-tech sales to east

By Ian Davidson and William Dawkins in Paris

THE western allies yesterday agreed a sweeping liberalisation of technology sales to to the Soviet Union and eastern Europe.

The accord is the most radical gesture ever made by Cocom, the 17-member Co-ordinating Committee for Multilateral Export Controls, to eastern countries' urgent need for western technology to help build modern economies.

It means the Soviet Union and Warsaw pact members will soon be able to buy almost any computer required for normal civil or commercial use, the basics of modern telecommunications networks and modern machine tools.

The big innovation is that it offers extra liberalisation to three countries – Hungary, Poland and Czecholsovakia – which are deemed to be less of a strategic threat.

To qualify for special treatment, they must set up their own systems to stop western technology being re-exported to the Soviet Union and other eastern European countries, including curbs on the passage of advanced technology information through intelligence. Britain had originally opposed that idea on the grounds that it was unworkable.

THE US House of Representatives has approved with strong bipartisan support new legislation which would reshape the US export control regime, ban exports of commercial satellites to China and limit high-technology sales to the Soviet Union until it lifts its sanctions against Lithuania, writes Nancy Dunne in Washington.

The bill, passed on Wednesday by a 312-86 vote, is designed to improve the cumbersome export control regime, which has cost US business markets for sophisticated high-technology products controlled for national security purposes. The Export Facilitation Act would expand sales opportunities for US companies in eastern Europe.

"We believe that these countries are future candidates for deletion from the Cocom list of proscribed destinations," said Mr Allan Wendt, the US State Department official responsible for strategic technology.

New countries could join the trio at any time by fulfilling these conditions. Yesterday's deal scraps export controls on 30 products, assumed to be of little strategic value, including electric furnaces, floating docks, printed circuit board-making equipment and transistors. Eight more will be freed by mid-August.

It also boosts the technical capability of computers, machine tools and telecommunications – the most sensitive area – to be allowed free export to the east. Lighter controls for these three categories, which account for at least half of Cocom licence applications, are expected to be in place by August at the earliest.

In addition to this, Cocom members agreed to scrap the present 116-item list of dual-use goods, which have both industrial and strategic value, and replace it by mid-December with eight simple categories of industrial goods that will continue to be vetted by the organisation.

These will cover electronics; sensoring systems such as lasers; advanced materials and machine tools; advanced telecommunications; navigation and avionics, marine technology; computers and propulsion systems.

There will be no change to existing Cocom controls on munitions and atomic energy goods, a recognition of the fact that the organisation still has a role to play in stopping sales of militarily-useful technology to the east.

The deal sets new parameters on the three basic categories of advanced technology. It lifts the speed of microcomputers allowed for free sale from 59 megabits per second (mps) to 275 mps and streamlines controls for more powerful mainframes of the type used for banking and payrolls. It boosts the accuracy of machine tools allowed for free sale, to plus or minus three microns for milling machines and plus or minus two microns for grinders.

A degree of relaxation has been agreed across the board for telecommunications, but with preferential treatment for the three most liberal countries. High capacity optical cables and other advanced equipment will be allowed free sale to the favoured three, a move which will not change the US ban on the plan to build a fibre optic link across the Soviet Union. The rest gain access to less modern technology, such as cellular radio phones and some satellite equipment, but still representing a big advance.

GM to supply motor parts to Soviet Union

By John Griffiths in London

GENERAL MOTORS of the US is to supply emission control components worth nearly $1bn to Volga Auto Works (VAZ), the largest Soviet vehicle maker. The two companies are also discussing the formation of a joint venture to manufacture catalytic converters, GM announced yesterday.

The agreements make GM the first US-based vehicle producer to establish a long-term working relationship with the Soviet motor industry.

Ford has previously negotiated with the Soviet Government on setting up production of its Scorpio, but abandoned the discussions about a year ago.

Component shipments to VAZ, which makes Lada cars and four-wheel-drive vehicles in one of the world's largest single assembly plants at Togliatti, 700 miles south of Moscow, are to start in early 1992 and continue at least until the end of 1997.

While the agreement represents GM's first foray into the Soviet Union, the world's biggest vehicle maker has already announced plans for substantial investment elsewhere in eastern Europe.

These plans include car assembly operations in East Germany and Hungary, as well as engine production and a components joint venture in Hungary. The US producer's plans form part of a wave of inward investment to eastern Europe by other western vehicle makers.

GM is to supply fuel injection, emission control and engine management components to enable VAZ vehicles to meet current and expected worldwide emission standards.

VAZ produces some 700,000 cars a year, of which typically more than 100,000 are exported to the west. It is an important earner of hard currency for the Soviet Unlun.

The agreements include the provision by GM of the applications engineering needed to adapt the various components to the 1.5 and 1.7 litre engines used in most Lada models.

Engineering support for the venture is to be provided by the European technical centre of GM's Automotive Components Group in Luxembourg, and by GM divisional engineering in the US.

Initially, components will be manufactured in GM plants in the US and western Europe, although not all the locations have been finalised.

Engine management components will be produced by GM's AC Rochester division, which is also lead division in the VAZ-GM venture.

"Pollution respects no international boundaries; neither should the proven technology to control it", Mr William Hogland, a GM executive vice-president, said yesterday in announcing the deals.

Bumpy ride to modernity, Page 2; UK car sales fall, Page 10

Late bid for NZ Telecom raises dilemma

By Dai Hayward in Wellington

A LATE bid for New Zealand's state-owned Telecom by Fletcher Challenge, the forestry and energy conglomerate, has handed the Government a political dilemma.

Fletcher, which is the country's largest company, was not among the 12 potential buyers when tenders closed with the Treasury at midnight on Wednesday. But yesterday it made a direct approach to the Government with a proposal to retain New Zealand ownership of the company.

The Government has come under increasing public pressure to oppose the Telecom sale, particularly if control passes overseas – an outcome which seemed inevitable.

But the state needs the sale's proceeds to fund its campaign to reduce overseas and internal debt and to finance policies it hopes will win back support before an October election.

Under the Fletcher proposal, 50.1 per cent of Telecom's shares would remain in New Zealand and 49.9 per cent would be offered to an overseas partner. Earlier the Government had said at least NZ$500,000 ($289,632) of Telecom shares would be sold to the New Zealand public to ensure continuation of local participation.

No shares in Telecom would be sold directly to the public under the Fletcher proposal. Instead it would set up a holding company named Telecom NZ Holdings.

Of this, Fletcher would retain 50.1 per cent with the rest sold to the public. The holding company would then buy Telecom and sell 49.9 per cent of it to an overseas partner. The New Zealand public would thus have a 25 per cent stake in Telecom and Fletcher would have effective control while owning only 25 per cent.

Such a proposal could be politically attractive but the Government would have to balance this against losing about NZ$2bn on the sale. Mr Hugh Fletcher, chairman of Fletcher Challenge, admitted his company's offer was nearer NZ$3bn than the NZ$5bn to NZ$6bn which Telecom was expected to bring. The Government has said it wants at least NZ$4bn.

Mr Fletcher described the proposal as ensuring permanent and genuine New Zealand control of Telecom. He denied the company was putting pressure on the Government by raising the emotional issue of overseas ownership just four months before the election.

Phone redraws world, Page 4

Warning of civil war in central Asia

By Leyla Boulton in Moscow

THE Soviet Central Asian republic of Kirghizia yesterday declared a state of emergency in its capital, Frunze, as beleaguered authorities tried to stop an orgy of inter-ethnic killings and warned of near-civil war in the region.

Mr Vadim Bakatin, the Soviet interior minister, said the toll of rioting in the Kirghiz town of Osh had risen to 48 dead and 333 injured. Calling for a meeting of all 15 Soviet republics that would find ways of protecting ethnic minorities, Mr Bakatin said he feared the Kirghiz fighting could burst into a conflict between republics.

He told the Soviet parliament that 900 Interior Ministry troops, 1,500 regular army troops and 450 border guards had been sent into Osh to restore order.

"They are standing between warring Uzbeks and Kirghiz," he said. "The local militia are unable to handle inter-ethnic conflicts, particularly when nationalist feelings are being stirred up."

A curfew was imposed in Frunze last night after more than 4,000 protestors tried to take over Communist party buildings and gave the Kirghiz leadership three days to step down.

Mr Bakatin said crowds of youths had been roaming around Frunze demanding transport to join the Osh fighting.

Tass, the official Soviet news agency, said a state of emergency had been declared to "prevent militant groups from whipping up mass disturbances." Moscow Radio's unofficial news agency Interfax said that youths looted shops and smashed newspaper kiosks.

Fighting between ethnic Uzbeks and Kirghizes broke out in Osh four days ago when a simmering land dispute turned into a nationalist campaign for political autonomy.

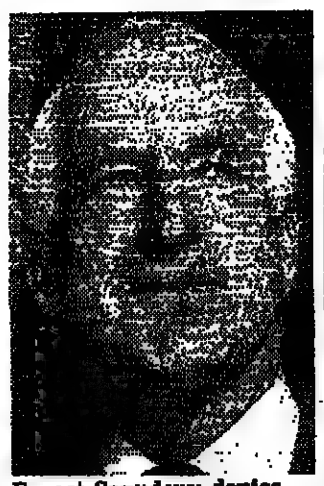
Mr Bakatin said the conflict was sparked by "idiocy, conceit and red tape in allocating land, and the interests of one nationality were ignored."

On the border with neighbouring Uzbekistan, Osh is populated mainly by Uzbeks with a Kirghiz minority even though it is formally part of Kirghizia.

"A crowd of many thousands of people armed with pikes, stones and weapons is at the boundary between Andizhan (in Uzbekistan) and Osh, spoiling to take vengeance for grievances," he said. Interfax said armed Uzbeks had been stopped from crossing into Kirghizia to reinforce their compatriots.

Plagued by sporadic outbursts of nationalist violence mostly in the south of the Soviet empire, Mr Bakatin said further delay in recasting the union treaty which binds the country together was "simply inadmissible."

The non-violent Uzbek nationalist movement Birlik threatened to stage a hunger strike unless the leadership in Uzbekistan took action to protect Uzbeks in neighbouring Kirghizia, Interfax reported. It added the border between Uzbekistan and Kirghizia had been closed and that flights between Osh and the Uzbek capital Tashkent had been suspended.



Ernest Saunders: denies knowledge of share support

Saunders denies any knowledge of Guinness share support

By Raymond Hughes, Law Courts Correspondent, in London

MR ERNEST SAUNDERS yesterday emphatically denied having had any knowledge of the Guinness share support operation that has led to his appearance in the dock at Southwark Crown Court, in London, on criminal charges.

He was asked by his counsel, Mr Richard Ferguson, QC: "Did you have any discussions with anyone about share support in the sense in which it has been used by the prosecution – ie, illegal share support?"

Mr Saunders replied firmly: "No, no, no, no."

At the heart of the case are £25m ($42m) of payments made by Guinness during its bitterly fought takeover battle with Argyll for the Distillers drinks group in 1986. The prosecution alleges the payments were unlawfully made to compensate supporters for losses made through buying Guinness shares, and as success fees.

Mr Ferguson asked Mr Saunders: "Did you have anything to do with the organisation of share support for Guinness shares?"

Mr Saunders: "If you mean did I have anything to do with, or know anything about, paying indemnities and success fees for people buying Guinness shares, the answer is absolutely no.

"If you say did I encourage people, institutions, anyone I met, to assent any Distillers shares they might have to Guinness rather than Argyll and to take the opportunity to invest in Guinness shares, because I thought they were a damn good buy, the answer is yes. It was my job."

Later in his testimony Mr Saunders flatly disputed evidence given earlier in the trial by Mr Howard Hughes, a senior partner of Price Waterhouse, Guinness's auditor.

Mr Hughes had said that on November 25 1986, he had asked Mr Saunders for information on four matters: Guinness's $100m investment with a partnership controlled by Mr Ivan Boesky, the US arbitrageur, a £50m deposit with Bank Leu, a Swiss bank, a £7.6m interest-free deposit with the Henry Ansbacher merchant bank and the £25m of payments. Mr Hughes had mentioned none of those matters, Mr Saunders declared.

Asked by Mr Ferguson what Ansbachers would have meant to him had it been mentioned, Mr Saunders replied:

"At that time Ansbachers would have meant Lord Spens, who had been the most vitriolic opponent I had ever had in merchant banking circles."

Mr Ferguson said Mr Hughes had also told the court that Mr Saunders had told him he was aware of the four matters and would provide whatever information was required.

"I heard him say that," replied Mr Saunders. "I will tell you and the jury, absolutely unequivocally, it's not true." Mr Justice Henry said Mr Hughes had thought, but had not been sure, that he had attached a label of £25m to the payments. Mr Saunders: "Well, he is jolly well not sure, because he didn't."

THE LEX COLUMN

The writing on Coloroll's wall

The failure of Coloroll, more than any of the recent collapses in property or construction, might stand as a memorial to UK entrepreneurial errors in the 1980s. The company was in crucial respects unlucky. Like many retailers, it was caught in the double bind of gearing at a time when high interest rates simultaneously increased costs and reduced demand. But Coloroll also illustrates the sombre truth that when times get hard, assets prove unreliable and liabilities remains unchanged.

Back in 1987, when the company's market value stood at well over £300m, it was argued that its debt was backed by its undoubtedly strong range of household brand names. But like the businesses in British & Commonwealth, these assets have proved hard to realise in a seller's market. It is a reminder, if nothing else, that the question of whether brand names belong on the balance sheet is less academic than it looks. It also reinforces the point that creative accounting – for which Coloroll had something of a reputation in its heyday – tends to come to grief in bear markets.

The whole episode gives a further disconcerting glimpse into the current thinking of the banking community, including the venture capitalists. Only weeks ago, this company seemed capable of being refinanced; others in the process of refinancing must feel correspondingly nervous. And for the UK economy as a whole, the collapse of a company with over 10,000 employees brings disquieting echoes of the last recession.

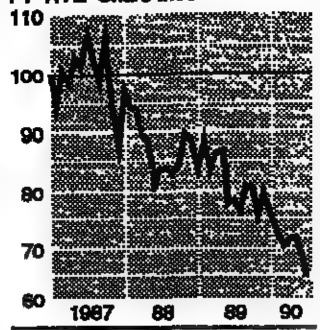
Pilkington

It is nice to know that Pilkington can make a £28m profit on the sale of hidden assets, such as a West German waterworks, but it cannot disguise a terrible set of full year figures. Forget this conjuring trick, and Pilkington's pre-tax profits, of £286m, are only £30m higher than they were three years ago. The traditional glass businesses continue to do remarkably well, but the costly diversification strategy has been an embarrassing flop.

Pilkington can rightly stress that many of its problems are not of its own making. It could never insulate itself from the sharp downturn in the US car market, where it is the biggest safety glass supplier, nor the difficulties in the UK home improvement market. Its defence businesses are no less vulnerable than others.

Pilkington

Share price relative to the FT-A All-Share Index



But this is not the issue. Three and a half years ago Pilkington defeated BTR's unwelcome bid on the strength of a very strong profits recovery. A few months later it was asking the City for a substantial chunk of equity to back its £368m move into the US optical market. The new businesses were to provide the growth to offset one of the key weaknesses identified in the BTR bid – Pilkington's unhealthy dependence on a slow growing, cyclical glass industry. Since then its glass profits have risen by £100m, or 50 per cent, yet its earnings per share have grown by just 2½ per cent, to 25p. It is hard to imagine any real growth this year and unless Pilkington begins to show that it can put its house in order, someone may just have to give it a helping hand.

British Land

Another day, another estimate of the downturn in the UK property sector. British Land's valuation gives more evidence for the bearish view. The 10 per cent fall in City property produced by its valuers is much closer to the 12 per cent drop (excluding developments) estimated by Great Portland earlier this week than the 2 per cent fall noted by Land Securities. There is also a gloomier valuation of West End property – down 8 per cent - although this may be caused by the unfashionability of its key holding, Euston Centre.

Some of the difficulty in estimating the extent of the downturn may simply be caused by the current infrequency of transactions in the property market. But it seems likely that all the bad news has not yet been absorbed and that further writedowns will be needed.

The sector's problems have killed off any chance of resuscitating Mr Ritblat's restructuring plan - this is not the right time to try to sell off properties and distribute cash to shareholders. In any case, having had its fingers burned once, the company will want to make sure the climate is absolutely right for any future proposal. In the interim, which could be 18 months, it is hard to avoid the conclusion that British Land's shares will drift lower. Those who bought in, on the hope of restructuring, have lost part of their capital and there is only a 2.1 per cent yield to comfort them. And the discount to net assets, at 32 per cent, is well below average.

Boots

Yesterday's full year statement from Boots, while studiously vague in some important respects, confirmed one central point: that the company is still remarkably good at its traditional business. Most striking was the 26 per cent rise in profits from Boots the Chemist, achieved on broadly unchanged floor space. But the Flint pharmaceutical business in the US, supposedly mature when bought four years ago, has since then produced 20 per cent volume growth in its chief product. The Underwoods acquisition increased sales by 20 per cent last year. And the pharmaceutical research programme, besides apparently reinstating the heart drug Manoplax, has produced two new compounds for diabetes and immuno-deficiency.

This adds extra weight to the question of whether Boots knew what it was doing in acquiring Ward White. The deal moved it into unfamiliar areas and broke with its risk-averse tradition. It also diluted last year's earnings by 10 per cent and may reduce this year's growth to single figures.

The charitable view is that Boots has proved lucky enough for this not to matter greatly. If the growth phase in Boots the Chemist is sustainable for another year or two and Halfords continues to improve in the teeth of the consumer downturn, Manoplax and the DIY business may come to the rescue on a three year view. But there are enough uncertainties to give the market pause. At yesterday's 296p, the shares are on nearly 12 times prospective earnings. Despite the company's admirable defensive strengths, it is hard to see this as undervalued.

WORLDWIDE WEATHER

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	Dallas†	F	26	79	Madeira	C	20	68	Prague	F	25	68
Algiers	S	29	82	Dublin	F	14	57	Madrid	S	29	84	Reykjavik	Dr	8	46
Amsterdam	F	15	59	Dubrovnik	S	25	77	Majorca	S	24	75	Rhodes	S	27	81
Athens	S	29	84	Edinburgh	C	13	55	Malaga	S	23	73	Rio de Janeiro		-	-
Bahrain	S	35	95	Faro	S	23	73	Malta	S	22	72	Rome	F	29	84
Barcelona	F	22	72	Florence	F	22	72	Manchester	F	15	59	Salzburg	F	20	68
Belfast	C	14	57	Frankfurt	R	16	61	Melbourne	S	16	61	S Francisco†	S	12	54
Belgrade	F	27	81	Geneva	R	16	61	Mexico City		-	-	Santiago		-	-
Berlin	C	20	68	Gibraltar	S	22	72	Miami†	F	27	81	Seoul	S	28	82
Biarritz	F	21	70	Glasgow	C	11	52	Milan	F	24	75	Singapore	F	32	90
Birmingham	C	12	54	Guernsey	R	12	54	Montreal†	C	14	57	Stockholm	[illegible]	18	64
Blackpool	C	13	55	Helsinki	S	15	59	Moscow	R	12	54	Strasbourg	C	16	61
Bombay	F	31	88	Hong Kong	C	28	82	Munich	S	17	63	Sydney	F	18	64
Bordeaux	H	17	63	Innsbruck	F	[illegible]	63	Nairobi	C	19	66	Tangier	S	23	73
Boulogne	F	15	59	Inverness	R	10	50	Naples	F	23	73	Tel Aviv	S	27	81
Bristol	F	14	57	Isle of Man	F	13	55	Nassau		-	-	Tenerife	S	23	73
Brussels	C	15	59	Istanbul	S	[illegible]	82	Newcastle	R	13	55	Tokyo	S	26	79
Buenos Aires		-	-	Jersey	[illegible]	14	57	New Delhi	S	38	100	Toronto†	S	17	63
Budapest	C	20	68	Johannesburg	F	14	57	New York†	C	19	66	Tunis	C	21	70
Cairo	F	34	93	Las Palmas	F	23	73	Nice	S	23	[illegible]	Valencia	S	28	82
Cape Town	C	15	59	Leeds	F	13	55	Nicosia	S	30	86	Venice	C	22	72
Cardiff	C	14	57	Lisbon	S	23	73	Oporto	S	20	68	Vienna	S	20	68
Chicago†	S	16	61	Locarno	C	22	72	Oslo	C	14	57	Warsaw	C	21	70
Cologne	R	15	59	London	C	16	61	Paris	C	16	61	Washington†	F	26	79
Copenhagen	S	19	66	Los Angeles†	S	17	63	Peking		-	-	Wellington	C	9	48
Corfu	C	27	81	Luxembourg	Dr	13	55	Perth		-	-	Zurich	C	15	59

C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder
† noon GMT temperatures

Thatcher's plan for Nato

Continued from Page 1

to meet new threats from regions such as the Middle East on which it would be increasingly dependent for its oil supplies.

Mrs Thatcher insisted that Nato must retain its basic character as a military alliance designed to provide a secure defence for the west.

History had shown that purely political organisations – such as the former League of Nations – were unable to preserve peace. The London summit should underline the commitment both to collective security and to the continuing presence of US conventional and nuclear forces in Europe.

In an allusion to Britain's differences with Bonn over the deployment of new tactical weapons, Mrs Thatcher also insisted that the deployment of nuclear weapons in Germany would remain vital to Europe's defence.

Mrs Thatcher said: "Collective defence, the transatlantic connection and credible deterrence should be strongly reaffirmed by the summit. They represent the enduring pillars of Nato, as important for the future as they were in the past," she said.

The changing political and military landscape meant that Nato's strategy had to be adapted and updated.

Warsaw pact transformation

Mr Kvitsinsky, briefing on behalf of member states for what observers said was probably the last time, called on Nato members to respond in kind to the Warsaw Pact moves.

"Our philosophy is that by changing itself the Warsaw Treaty organisation will be instrumental ... in changing the other alliance," he said.

He also held out the prospect, outlined by President Gorbachev in the meeting, of treaty relations allowing all the member states different commitments, as in Nato. "The status of any country could be changed," he said.

INTERNATIONAL COMPANIES AND FINANCE

Broking brothers divided but still united

Janet Bush looks at Shearson Lehman's decision to split its business in two

The bond trading desks of Shearson Lehman Hutton broke into wild applause one day recently when Mr Howard Clark, the self-effacing former chief financial officer of American Express, appeared on the floor sporting a Lehman Brothers baseball cap.

With the mild-mannered air of a country school master, the *man installed as* Shearson's chief executive just four months ago had the mad dogs of the trading floor eating out of his hand.

The gesture was well-judged, playing to those proud Lehman veterans who had always loathed being lumped in with what they regard as Shearson's army of commission slaves – the retail brokers.

Six years after retail house Shearson took over the venerable but strife-torn investment bank of Lehman Brothers in an ambitious attempt to build a full-service securities firm, it announced on Wednesday that it is splitting its retail and investment banking businesses into two distinct divisions.

The 10,000-strong retail brokerage network and the asset management business will form one division called Shearson Lehman Brothers. Capital markets and investment banking will together form the second division under the awe-invoking name of Lehman Brothers.

Both will report to the broker/dealer which will be called Shearson Lehman Brothers Inc and will in turn be owned by a holding company named Shearson Lehman Brothers Holdings Inc.

As late as last week, Shearson had intended to preserve the Hutton name in the name of the holding company but this was dropped because, according to senior executives, market research showed that it offered "no added value."

Put more honestly, everyone would rather forget what turned out to be the cripplingly expensive merger with E. F. Hutton soon after the 1987 stock market crash. This is now commonly regarded as a vainglorious piece of expansionism by Mr Peter Cohen, ousted as chief executive earlier this year, and the beginning of the end of Shearson as an autonomous firm.

After injecting $1.35bn of fresh capital into its tottering securities subsidiary which reported a record $915m loss in the first quarter due to restructuring charges, American Express announced in March that it would buy the rest of Shearson which it did not already own.

The quiet loss of Hutton and the much-trumpeted revival of the Lehman Brother name represent not only another effort to bolster confidence in Shearson but also a tacit admission that the two significant acquisitions of the 1980s and even the idea of a fully-integrated securities firm never quite worked.

Mr Clark disagrees with those who say that Shearson is being split into two – he prefers the term regrouping – but there is no doubt that the changes announced on Wednesday in part reflect the unbridgeable culture gap which has existed between the two sides of the company.

Years after Shearson bought Lehman Brothers, the staff at 55, Water Street, the former headquarters of the House of Lehman, still bark "Lehman Brothers" when they answer the telephone.

Clearly, the move puts the two warring cultures at arm's length. Talk is legion of the acrimony between the two sides with each blaming the other for Shearson's problems.

Mr Clark puts the problem in more businesslike terms. "We have two customer bases: the retail side and the institutional side," he said.

"They really are two different constituencies and we want to achieve a managed grouping of our business along *customer lines.*"

The concept is not unique. Merrill Lynch, the only company with a larger retail brokerage business than Shearson, has long separated its capital markets division from its consumer business. More pertinently still, the separation of the two businesses at Shearson reflects the decentralisation of power long-favoured at American Express, which structures its business in distinct profit centres.

American Express has already placed some key figures in top positions which should help develop its style. Apart from Mr Clark who will be chairman and chief executive of the holding company and the broker/dealer, Mr Jonathan Linen, formerly head of American Express' direct marketing and travellers' cheques group, has been put in charge of the Shearson Lehman Brothers division.

Mr Richard Fuld, with a long Lehman lineage, and Mr Sherman Lewis, a Shearson man, will be co-chief executives of Lehman Brothers.

The real question is whether the reorganisation will change the way Shearson does business. The consensus of opinion, outside Shearson and within, is that the realignment is more a question of trying to focus managers and provide greater incentives rather than change the interrelation of the various segments.

"There won't be any changes overnight. I think that the reintroduction of the Lehman name is what everyone is excited about," said Mr Clark who has taken care to make sure the retail brokers do not feel neglected. In the past four months, he has conducted a whirlwind reassurance tour of the country, shaking 2,500 hands.

"There won't be any changes overnight. I think the reintroduction of the Lehman name is what everyone is excited about."

It is believed that a partnership-type structure will be set up at Lehman Brothers within the next few months in an attempt to give the investment bank a cohesive identity. Lehman Brothers executives will be rewarded with bonuses based on three criteria: their personal track record, the profitability of the division and the performance of Shearson as a whole.

Mr Lawrence Eckenfelder, securities industry analyst at Prudential Bache, believes that the revival of the Lehman Brothers name could serve two purposes. Firstly, it may help to stem defections of investment bankers from Shearson. Secondly, it may help improve relations with institutional clients.

Another Wall Street analyst who preferred not to be named expressed a similar view: "If it makes the bankers happier, it is worth trying."

Beyond these psychological factors and an influx of American Express executives into senior positions, few believe that the reorganisation makes much substantive difference.

Some at American Express were shocked by what one termed "holes in the balance sheet" in the New Year and surprised by the sloppiness of management. Mr Clark believes the latest changes will force people to work more closely together and increase management control. He wants to develop a greater emphasis on performance bonuses, not only in the investment bank but on the retail side of the business as well.

He also wants to promote more selling of products such as mutual funds generated by Shearson. Gradually, he hopes, more American Express products such as annuities could be funnelled through the Shearson distribution network, a notion greeted with scepticism by most Wall Street analysts.

"I think that American Express has to realise that there isn't much synergy between it and the broker/dealer," said Mr Perrin Long, analyst at Lipper Analytical.

He also believes that the focus on creating proprietary products to sell through the retail network is flawed partly because there is a conflict of interest in selling its own funds and securities as well as those of other investment firms and partly because "the manufacture of products builds up fixed costs out of all proportion." The separation of Shearson's business has inevitably fuelled speculation that each could be sold in the future but Mr Clark has consistently denied that this is the intention.

He argues that the two sides have a symbiotic relationship with retail brokers using "product" such as new equity and bond issues generated by investment bankers as a selling point and bankers being dependent on the brokers to distribute securities.

"These are divisions, not separate corporations," he said. "We have no intention of selling part or all of either."

Greyhound drops offer on buyback

By Roderick Oram in New York

GREYHOUND Lines, the national bus service which filed for bankruptcy protection earlier this week, has withdrawn its offer to buy back some of its junk bonds.

It said it had dropped the tender offer so it could concentrate on shepherding the company through the Chapter 11 bankruptcy proceedings. Investors thought it unlikely Greyhound could raise the money for the offer.

The company had offered to buy back at a price of 54, equal to $540 per $1,000 of principal amount, up to 35 per cent of $150m worth of 13 per cent senior notes but the market price had dropped to 41 on news of the bankruptcy filing.

It also offered to pay 27.5 for up to 35 per cent of $75m worth of 12.5 per cent senior subordinated. The price of the unsecured notes had dropped to 20.

Its petition to the bankruptcy court for protection from its creditors listed assets of $508.8m and liabilities of $539.8m. It was driven into court by an attempt of some lessors to seize some of the buses it operates.

Higher fee income leaves CIBC unchanged

By Bernard Simon in Toronto

HIGHER interest and fee income and a sharp drop in loan loss provisions helped Canadian Imperial Bank of Commerce overcome a steep rise in expenses to report virtually unchanged second-quarter income.

Net earnings of Canada's second-biggest bank edged up to C$183m (US$156m) in the three months to April 30, from C$180m a year earlier. Higher preferred share dividends pushed earnings per common share down to 91 cents from 96 cents. Earnings for the first six months of fiscal 1990 rose to C$402m from C$382m, with earnings per share unchanged at C$2.05.

Assets have grown by 10 per cent in the past year to C$108.4bn on April 30, thanks largely to a 19 per cent surge in mortgage lending. But Mr Donald Fullerton, chairman, said asset growth moderated in the latest three months.

CANADA'S BIG SIX BANKS - SECOND QUARTER TO APRIL 30 1990 (YEAR EARLIER)

	Assets at April 30 (C$bn)	Net income (C$m)	Loan loss provisions (C$m)
Royal Bank of Canada	123.4 (114.3)	255.0 (214.8)	100.0 (145.0)
CIBC	108.4 (98.3)	183.0 (180.0)	53.0 (109.0)
Bank of Nova Scotia	83.4 (76.1)	133.1 (155.1)	47.5 (38.8)
Bank of Montreal	81.3 (78.2)	117.3 (109.1)	51.0 (94.8)
Toronto-Dominion Bank	66.9 (63.1)	157.9 (158.9)	79.2 (62.5)
National Bank of Canada	37.4 (31.5)	61.1 (64.6)	89.5 (41.8)

Second-quarter net interest income rose to C$730m from C$703m. Although loan and mortgage volumes grew, rising Canadian interest rates squeezed margins in the second quarter. Fee and other income climbed to C$320m from C$272m.

A halving in loan loss reserves was partly due to sales of C$27m in fully provisioned LDC debt.

The bank expects further sales later this year.

Non-interest expenses ballooned by 22 per cent to C$713m. A substantial part of the increase is due to staff costs and office relocation expenses. The bank said weak demand caused "some losses" in its investment banking division, which includes its securities subsidiary, Wood Gundy. Gundy recently acquired the retail business of Merrill Lynch Canada.

CIBC is the last of the six big Canadian banks to report second-quarter earnings. The banks' performance has generally been disappointing, with most of them hurt by high domestic interest rates and a deteriorating economic climate.

Pathé defers MGM offer again

By Alan Friedman in New York

MR GIANCARLO Parretti, the controversial Italian financier, yesterday raised eyebrows throughout Wall Street by postponing for the third time the $1.2bn tender offer for MGM/UA being launched by his Pathé Communications.

Although the MGM deal is still expected to go ahead, yesterday's third extension of the tender, to June 15, comes only days after Mr Parretti insisted he would complete the closing as scheduled on June 7.

Under the agreement between Pathé and Mr Kirk Kerkorian, the majority shareholder of MGM, the tender may be completed by June 23.

In Los Angeles yesterday Mr Parretti declined to comment on why Pathé had extended the MGM bid again except to say "I am sleepy and cannot talk now."

Last week he announced that Comfinance, his master company in Luxembourg, had obtained up to $450m of funds for the MGM deal.

Yesterday Pathé supplied vaguely worded statements about the Luxembourg money coming partly from a mixture of lines of credit for Mr Parretti's Spanish travel agency and other holdings.

Pathé said yesterday the latest delay of the MGM deal was merely "for mechanical reasons."

Pathé also said it had amended the terms of its accord with Time Warner under which the US media and entertainment conglomerate is to loan Mr Parretti's company $650m for the MGM takeover.

Neither Pathé nor Time Warner would comment yesterday on whether the changes mean that Time Warner will now abandon its earlier demand that Mr Parretti come up with $450m rather than the mixture of loans and equity his European associates have supplied.

Mr Steve Ross, chairman of Time Warner, could not be reached for comment yesterday.

Placer reviews Stikine offer

PLACER Dome is "reassessing" its C$67.50 per share cash offer for Stikine Resources, the Vancouver exploration company that owns half the rich Eskay Creek gold property in North Western British Columbia, writes Robert Gibbens in Montreal.

Mr Tony Petrina, president of North America's biggest gold producer, said Placer may withdraw the C$230m (US$196.1m) offer due to implications of a lock-up deal between Corona Corp and certain Stikine shareholders.

Corona, primarily a Northern Ontario gold producer, has made a share exchange offer for Stikine originally worth an estimated C$76 a share.

John Lloyd on issues for the victors in Czechoslovakia's elections

Laying ghosts at the polls

Czechoslovakia votes today, freely for the first time in four decades. The vote will be both a beginning and a valediction, in which the country seeks out a new era of responsibility and conscious choice while bidding farewell to the pervasive authoritarian rule that obviated the need for these qualities. Neither process will be easy.

President Vaclav Havel, the playwright and former dissident, is now almost overloaded with the hopes and anxieties of his fellow citizens, and the Civic Forum movement with which he remains identified is likely to have a majority in the elected assembly.

Indeed, so certain is Civic Forum – the movement which together with its Slovak ally, Public Against Violence, steered last November's peaceful revolution – of retaining the responsibility of government that its leaders are already meeting ministers to plan the shape of the next administration.

Yet the period ahead poses challenges of a new order for President Havel as much as for Czechoslovakia. Try as he will to sustain the free-thinking style of a dissident, to suffuse his presidency with the intellectual idealism of his essays, the dignity of office has noticeably confined and stiffened him.

For his former comrades in dissidence, his transformation into "conscience of central Europe" has been a little hard to take. They now carp at his loftiness, his lack of attention to detail, his penchant for the gesture; they fret at the apparent amateurishness of his entourage, at his tolerance of drift and delay in government. He is accused of hesitating to take clear and possibly unpopular decisions.

He will almost certainly stand for a further, two-year presidential term – and if he does he will almost certainly be elected. But he is likely to find that it is no longer enough to stand as a symbol of resistance.

Czechoslovak authoritarianism was much more narcotic (for most) than terrifying: it sapped the general will, imbuing people with a suspicion, not just of being watched, but of each other. Why had this man secured a good flat, a trip abroad, a car? Had he made some deal, some little betrayal? If someone got ahead it could not, by definition, be on merit: it had to be linked, at best, to opportunism, at worst to treachery.

Hence this election, devoid of the sort of real issues that tend to dominate those in the west, has focused on the laying of ghosts. Among the most powerful presences in the election campaign has been the invisible one of the secret police, the executive arm of the Communist Party. It is assumed by everyone that it was they who planted the mercifully small bomb in Old Town Square last Saturday, and it is everywhere feared that they might strike again.

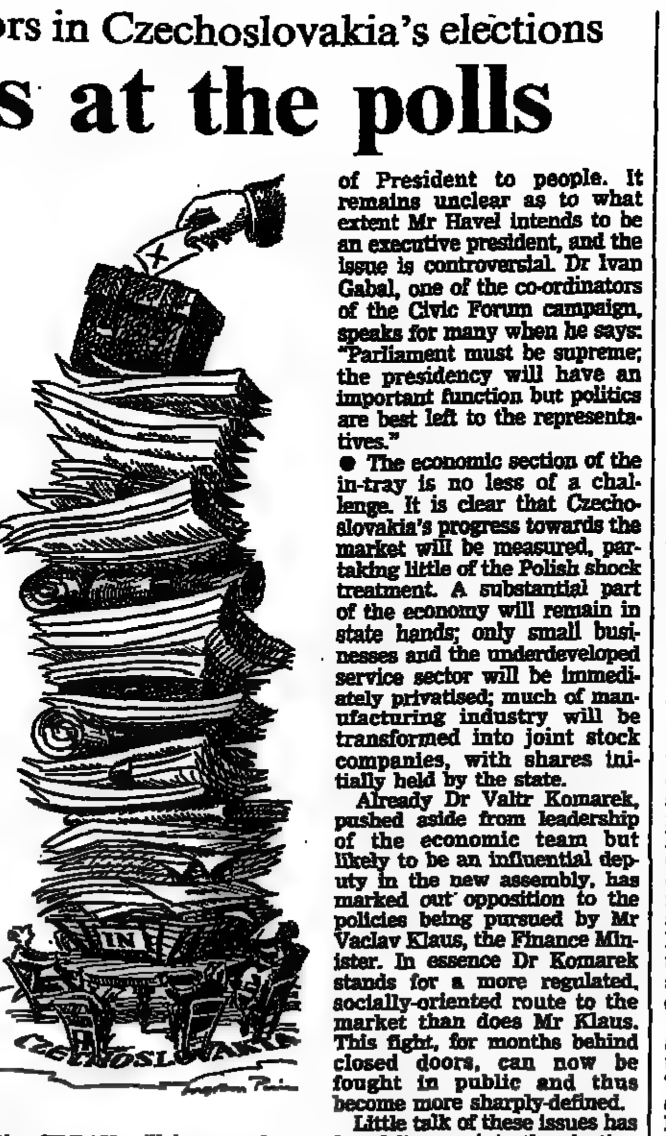
Correctly or not, people assume that this network of agents which spread through the bureaucracy, the diplomatic service, the enterprises, the media and intellectual life remains a malign force with a huge store of data on almost everyone and the capacity to destabilise, shock and confuse.

The Government and Civic Forum have lost no opportunity, in the run-up to the ballot, to remind the electorate of past horrors, to point the finger at a Communist party which is, after all, still legal and still vying for power. Two days ago, four senior communists – including – including Mr Milos Jakes, the former general secretary – were arrested and accused of illegal abuse of power in connection with the Soviet-led invasion of 1968.

The overriding impression that Civic Forum, and the Government it dominates, have been trying to create is that there is very little unsullied political ground other than that which they occupy. The communists, and those who chose to ally themselves with them in the past may have had it coming; but equally, it is hard to applaud such manoeuvres so blatantly aimed at destroying their appeal to the voters.

Clearly, Civic Forum and Public Against Violence have yet to become an ordinary political party. Many in the leadership still wish to retain the broad-based and inchoate status of a political "movement", fearing the partisanship and divisions that transforming itself into a party might entail.

Yet even now, a left and a right are jostling and bickering within the movement and carving out post-electoral positions. If a normal debate is to begin, the CF/PAV will have to fragment to reflect this after the election.



Already, some of its leading centre-left members are talking about the formation of a party some time within the assembly's term of two years – taking advantage of the virtual vacuum in the left of Czechoslovak politics. If that were to happen, they believe, the right within CF/PAV will also be forced to declare itself as a party.

The in-tray of the election victors is already piled high with important tasks:

● They will have to write a new constitution which not only replaces the rule of one party with the rule of law but also reshapes the Czech and Slovak union. Separatism is still a minority pursuit in Slovakia, but the new constitution will almost certainly contain a substantial devolution of powers to the individual republics.

● They will have to devise a framework for the relationship of President to people. It remains unclear as to what extent Mr Havel intends to be an executive president, and the issue is controversial. Dr Ivan Gabal, one of the co-ordinators of the Civic Forum campaign, speaks for many when he says: "Parliament must be supreme; the presidency will have an important function but politics are best left to the representatives."

● The economic section of the in-tray is no less of a challenge. It is clear that Czechoslovakia's progress towards the market will be measured, partaking little of the Polish shock treatment. A substantial part of the economy will remain in state hands; only small businesses and the underdeveloped service sector will be immediately privatised; much of manufacturing industry will be transformed into joint stock companies, with shares initially held by the state.

Already Dr Valtr Komarek, pushed aside from leadership of the economic team but likely to be an influential deputy in the new assembly, has marked out opposition to the policies being pursued by Mr Vaclav Klaus, the Finance Minister. In essence Dr Komarek stands for a more regulated, socially-oriented route to the market than does Mr Klaus. This fight, for months behind closed doors, can now be fought in public and thus become more sharply-defined.

Little talk of these issues has found its way into the election campaign: so deep has been the fear that division meant conflict, and that conflict could mean violence and possible authoritarian suppression, that there has been an unholy blandness. The significant parties among the more than 20 competing can hardly be differentiated one from another. All want some sort of political pluralism, some sort of market, some sort of continued union between the 10m people of the Czech lands of Bohemia and Moravia and the 5m people of Slovakia.

The real revolution, in effect, is only just beginning – a time when a diverse and overstrained society learns how to articulate its claims and fears; when the heroes of November seek to learn the skills of politicking, mediation and incremental reform; and the people in whose name the old regime was overthrown relearn the arts and responsibilities of citizenship.

POLITICS TODAY

A poor second next time around

By Joe Rogaly

The poor have not thrived under the Tories. They would do better under a Labour government, but how much better is hard to say.

The above propositions will be a matter of debate as the general election approaches. This is a curiosity: the poor did not feature much on the political agenda of the 1980s, a decade governed by the notion that you could not stimulate growth without fostering inequality. Their condition will not be decisive next time around. But it is likely that Conservatives will feel obliged to respond to a general sense of discomfort at the perception that while a great many people have become very much richer, the poor have become only slightly better off. Worse, there is evidence, some of it murky, that groups of them may actually be poorer than in 1979.

There are several reasons for this sense of unease. One is what might be called the poll tax effect. People living in small family units in high-rated properties have been mildly embarrassed to discover that they are saving the price of, say, a night at the opera and a meal for four at Claridges, while their cleaning ladies are being community-charged an extra month's pay or more. The same awkwardness has been felt by pedestrians in city centres, particularly London, where the growth in the number of beggars on the streets has been particularly disturbing.

It is only fair to acknowledge at once that beggars are not a uniquely British phenomenon. To take one among many foreign sightings to the contrary, I was approached by ill-looking north African children in Bordeaux the other day.

But this kind of evidence, available to anyone who travels, is of little assistance to our Conservative politicians. For the point at issue is that between 1945 and 1979 there was an assumption that in Britain the Government would do something about destitute people, while in recent years the assumption has – rightly or wrongly – been the reverse.

Earlier this week the television cameras focused on a "celebrity sleep-out" beside Westminster Cathedral, with, to name just one, the leader of the Liberal Democrats, Mr Paddy Ashdown, preparing to spend the night in a cardboard box. The purpose of "national sleep-out week" is to raise money for the Salvation Army, St Mungo's and other associations for the homeless. The subliminal message – that under the Tories more of the poor are without shelter – can hardly be missed.

On Monday the Child Poverty Action Group published a report suggesting that many social security claimants are worse off in real terms as a result of the Government's new income support scheme and the imposition of the social fund, which provides loans for one-off emergencies where formerly there were grants.

Mr Tony Newton, the low-profile Secretary of State for Social Security, argues that the CPAG's arithmetic is selective, with the result that the overall impression given by the report is misleading.

Mr Newton, who does not come across as a hard-nosed grinder into the dust of the poor, was a junior minister in his present department when the new social security structure was devised. He is adamant that the structure is more logical than its predecessor, and insists that there are many gainers. Certainly the overall cost is higher, although you can never be sure about what this means without disaggregating the spending and taking into account the growth in the number of elderly people, single-parent families, and the like.

For the point at issue is that between 1945 and 1979 there was an assumption that in Britain the Government would do something about destitute people, while in recent years the assumption has – rightly or wrongly – been the reverse

This is where the Government has been caught. In the early 1980s there was a strong disinclination to add to knowledge of the condition of the poor. All the attention was on wealth creation or the possibilities of it. The conventions of previous decades, in which publications such as Social Trends added statistical weight to the campaigns of organisations such as the CPAG, were jettisoned.

A few weeks ago this rebounded on the Tories, whose earlier pronouncements that the poor had done rather well since 1979 had to be revised following a revelation by the House of Commons Select Committee on Social Services that the sums were not right. Mr Newton, a civilised man, published corrected figures.

I shall spare you fine disputations about whether or not you should include housing costs in such calculations, and I will not even mention arithmetic means, medians, and skewed samples. Let us just say that anyone, including the Government, is free to interpret the figures in more than one way. The bottom line is that we really do not possess the precise mathematics that would enable us to say with official certainty that the condition of this or that class of person at the bottom of the heap is literally worse, or better, or about the same as when Mrs Margaret Thatcher became Prime Minister in 1979.

It looks very much as if the bottom tenth as a whole has enjoyed the trickling-down of a very few drops of Thatcher-nomic growth, while some in that dismal decile are probably having to manage on lower rations. Unfair? The Government has denied itself the statistical power with which to ward off such an assertion.

As to any talk of relative *improvements* in the standard of living of known large groups of welfare beneficiaries since 1979, the single most fateful decision was taken when the Tories ceased the practice of raising payouts in line with increases in earnings or prices, whichever is higher. They tied them to increases in prices alone.

The savings thus engendered have equalled a large proportion of the reductions in income tax showered upon us during the past few years; much of the slack has been taken up by the initial increase in value added tax, which hit the poor harder than the rich. The tax changes have suited me, and possibly you, but not the folk on the pavements.

The new Chancellor of the Exchequer, Mr John Major, managed some welcome gestures in the opposite direction in his recent Budget, but he is not about to reverse the tide of the past decade. Mr Newton's claims for additional spending, perhaps in the form of a gentler curve of withdrawal of housing benefit as incomes rise, must take their place in this year's public expenditure round along with, say, yesterday's report from the social services committee on the subject of community care. What is needed, says that committee, is – believe it or not – more money.

Being a good departmental minister, Mr Newton will no doubt assert that the expenditure of more taxpayers' money in selected areas is not only right, it is also politic in the current climate. Quite so: the Tories need a softer image. He also regards himself as collectively responsible to the Cabinet as a whole, so he will have to grin and bear it if the expected bribes to get the poll tax through eat up the claims of, among others, the poor.

If I was seriously poor, I might therefore put my faith in Labour. Wouldn't you? The Labour Party has promised to increase child benefit, add £5 a week to the single pension and £8 for couples, and restore the link between future increases and average earnings.

It would impose national insurance payments on higher earners, and increase higher-rate taxes, presumably to finance the promises. There is no indication that the Tories' existing social security structure would be completely overhauled. The limit is spelled out in Looking to the Future, Labour's new policy document.

"Most people, in Britain," it says, "....want Labour to deal with the terrible poverty which now exists in this country." That may be true, but here is the rub: "The problem is so great, however, that there simply will not be enough money to do everything at once."

There you have it. Looking to the future, harsh inequality is here to stay, whichever party wins next time.

LETTERS

New charges for water

From Mr David A. Owen.

Sir, Although greatly underpublicised, the new water companies now charge builders/developers an "infrastructure charge" on new properties. For the provision of both water and sewerage the charges vary from £351 per dwelling (Northumbrian) to £1,534 per dwelling (Wessex). This charge is levied on top of the physical cost of the actual connections.

It was considered fairer to impose the charge of uprating the supplies on the new dwellings as it is these that render the existing services inadequate.

As developers we have long thought that some device to promote the replacement of obsolete housing rather than building on green fields would be sensible.

Replacement building does not attract the new infrastructure charge and so it would appear that the water companies have, perhaps unwittingly, acted to stimulate urban regeneration.

Because the infrastructure charge is a flat rate it is extremely heavy with respect to the cost of say, a one-bedroom flat, and is most unwelcome. Presumably the electricity companies are dreaming up a similar scheme.

Exactly what these new charges are going to do to an already depressed industry is difficult to estimate.

David A. Owen,
Carrington Estates,
12 Crouch Street,
Banbury, Oxfordshire

Something to beef about

From Mr Monty Berchten.

Sir, Had Mr John Gummer, Minister for Agriculture and Food, paid more attention to his French language lessons when at school, he would have known that the French were aware of "mad cows" long before the discovery of BSE. His tutors would have taught him that "to eat mad cow meat" (de la vache enragée) was a figure of speech meaning to fall on hard times.

And now that he finds himself in such circumstances, he should perhaps put "a bull on his tongue" (un boeuf sur la langue) – keep one's mouth firmly closed. But who knows, Mr Gummer may yet finish on a bull (sur un boeuf) – a big success!

Monty Berchten,
19 Elwood Gardens, Garston,
Watford, Hertfordshire

The bag-people of capitalism

From Mr Graham Chapman.

Sir, Many thanks for Michael Prowse's entertaining piece ("A vote against Thatcherism," June 4) bewailing, in general, the imperviousness of most practising British economists to Institute of Economic Affairs dogma, and in particular, those "proficient technical economists" who "have no personal experience of market forces," but schizophrenically spend their days lecturing in the traditions of Adam Smith and their evenings selling Socialist Worker.

I graduated in economics and a couple of related subjects many years ago, spent some time teaching, then moved into a reasonably well-paid field in the commercial sector where after 12 years my employers find me useful enough to provide me with an adequate living, but I still spend many happy and fruitful evenings selling Socialist Worker.

If I should ever feel any attacks of incipient schizophrenia, I might turn again to those passages of Adam Smith where he clearly shows his appreciation of the market's capacity to impoverish, alienate and pauperise – and laments these tendencies as plainly as Marx ever did, but unlike Marx sees no remedy for them.

Free-market economists in this country are prone to blustering that such fears are a 19th-century anachronism. They might ask their counterparts in the Soviet Union and East Germany whether they feel the same way. For empirical evidence on the matter, they might perhaps look at Poland today, or Brazil, or vast tracts of the under-developed world or the bag-people of capitalism's glittering citadels.

If this is too far to go, they might look under the arches of Waterloo Bridge, or at the crowds besieging Poll Tax hearings in the magistrates' courts, or at the steady flow of refinancing plans into, and coffins out of, the English end of the Channel Tunnel.

In my case Michael Prowse may well be right; selling Socialist Worker might be a product, unthinking or otherwise, of my free-market living and working environment. Why my comrades in public sector teaching, which as we all know is thoroughly cosseted against the cold winds of Thatcherism, also do it, I really cannot imagine. I can only put it down to their perspicacity, good sense and an appreciation of the society they live in that is a little closer to Adam Smith's than that of his latter-day *soi disant* acolytes.

Graham Chapman,
8 Nixon Road,
Oxford

Looking at how high-technology industries are financed

From Professor Colin Mayer.

Sir, Mr Ian Mackintosh (Letters, May 24) proposes that the debate on short-termism be advanced by commissioning "an objective and informed institution to carry out a dispassionate analysis" of how high-technology industries are financed "in countries which are manifestly more successful than the UK." The Centre for Economic Policy Research (CEPR) has been co-ordinating an international study that attempts to do exactly that. The results will be disseminated over the next 12 months.

The study compares the relation of finance to industry in five countries: France, Germany, Japan, the UK and the US. It combines detailed statistical analysis with case studies of one high-technology industry – electronics.

It records significant differences between countries in the structure and conduct of their financial systems. These affect the financing and control of corporations. In turn these may influence investment and the growth of companies along the lines suggested by Mr Mackintosh.

The study also questions several conventional wisdoms about financial systems. Mr Mackintosh expresses a commonly held view that it is "almost impossible to balance the short-term and the long-term interests of any enterprise which has to operate in the kind of financial environment currently pervasive in both the UK and the US, but not so much in Germany and Japan." In contrast it is commonly thought that the German financial system has inhibited entrepreneurship and the expansion of new companies.

These seemingly conflicting claims suggest that the performance of financial systems depends on the nature of companies. Financial systems may be best suited to promote companies with particular investment requirements (for example R&D) and at certain stages of their development (for example small companies). An evaluation of alternative financial systems therefore requires a sufficiently detailed analysis to allow these distinctions to be drawn.

Colin Mayer,
CEPR,
6 Duke of York Street, SW1

From Mr Henry Simon.

Sir, Mr Mackintosh's criticism of the lack of long-term investment capital available to British high-technology industries overlooks a healthy venture capital industry.

With over 130 venture capital groups in the UK, it is the largest market in Europe. In 1989, for instance, £1.647bn was invested in 1,569 companies, which represented an 18 per cent increase on funds invested in 1988. New business start-ups received £204m, with the sort of high-technology industries Mr Mackintosh refers to receiving £95m of this figure.

In the case of Schroder Ventures our funds run over a 10-year period, so that we are quite prepared to make an investment over seven or eight years. We are also able to help entrepreneurs make contacts with their other European counterparts. What we are looking for are ideas with potential and a management that is capable of bringing its plans to fruition.

To say that economic activity is not being created from high technology is simply wrong. From my own company's experience, we would point to successful start-up companies such as Shire Pharmaceuticals, Xenova, AMT and Anagen. In the last case we have funded the entire product development process for a medical diagnostics system which will not reach the commercial market until 1991.

Henry Simon,
Schroder Ventures,
20 Southampton Street, WC2

INTERNATIONAL CAPITAL MARKETS

Mortgage-backed issue of £200m meets good demand

By Deborah Hargreaves and Tracy Corrigan

THE improvement in the health of the market for mortgage-backed securities was evident at the launch of £200m in bonds for Collateralised Mortgage Securities No.4 yesterday, when the issue met with strong demand.

The lead manager, Goldman Sachs, said it had sold out of its allocation of the floating rate notes within half an hour of the launch. The deal was structured as a fixed price re-offer, with syndicate members receiving 11 cents for selling the bonds which were trading on a firm bid of 99.80 late yesterday.

The borrower is a special purpose vehicle which holds mortgages from National Home Loans, a centralised UK mortgage lender. This latest issue of bonds contains no proviso for mortgages to be substituted in the first three years, as have its recent deals. Substitution of new mortgages extends the life of the bonds.

The CMS issue has an average life of 4.6 years compared with its seven-year predecessors. The pricing on the notes was fairly aggressive since they pay a rate of 25 basis points over the 3-month London interbank offered rate (Libor) compared with the 27½ points offered for the longer issues.

The bonds mark the first time NHL has used a pool insurance structure for its issue, although this route has been used by other borrowers.

The lead managers said they were excited by the response to the bonds, given the general sluggishness in the mortgage market. The bonds sold to a broad spectrum of investors which included UK banks and companies and European insurance companies.

INTERNATIONAL BONDS

In the dollar sector, the Nordic Investment Bank's $200m three-year offering met pent-up demand for short-dated paper, mainly from European institutional accounts. However, the 9 per cent coupon also encouraged some retail participation.

The bonds were priced to yield 44½ basis points above the comparable US Treasury, at the wider end of the indicated spread range. The issue ended at 90.90 bid, 90.95 offered, from a fixed re-offered price of 99.975.

Dealers speculated that the issue was unswapped, since current market rates imply a swap level of around Libor flat, substantially below the issuer's historic funding target.

However, most other borrowers are still waiting for rates to fall further before locking in fixed-rate funds. Some hope that next week's US consumer prices data will set off a further rally in bond prices.

Yet investors remain hesitant about investing further funds in the sector, in the wake of the market's recent surge. One syndicate manager commented that "investors can't be pushed too far" on the current pricing of new issues.

A $200m issue of 9¼ per cent seven-year bonds for Mitsubishi Estate was considered rather aggressively priced, and distribution was further hampered by expectations that the deal would prove illiquid. The bonds were offered outside fees via the brokers as soon as the deal emerged, and was bid at less 2, outside 1⅞ point fees, for most of the day.

Elsewhere, Skandinaviska Enskilda Banken's 10-year floating-rate note issue launched last month by Goldman Sachs International was increased for the third time to $280m.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Nordic Investment Bank((d)◆	200	9	99.975	1993	20/15bp	Morgan Stanley Int.
Mitsubishi Estate Co.(b)◆	200	9¼	101.325	1997	1⅞/1¼	Nikko Secs. (Europe)
Skand. Enskilda Banken(c)‡◆	280	(c)	100	2000	28/15bp	Goldman Sachs Int.
STERLING						
Coll M'gage Secs No 4(a)‡◆	200	25bp	100	2030	31/20bp	Goldman Sachs Int.
FINNISH MARKKA						
Enso Finance BV(b)◆	300	13½	101	1993	1⅞/⅞	Kansallis-Osake-Pankki

‡Floating rate notes. ◆Final terms. a) Coupon pays 25bp over 3-month Libor, rising to 50bp from year 10. Call from July 1995 at 100. Average life 4.6 to 8.4 years. b) Non-callable. c) Issue increased from $200m(original amount $100m). Coupon pays 28bp over 6-month Libor years 1-5, 45bp over 6-month Libor years 6-10. Call after five years at par. d) Fixed re-offer price. Non-callable.

Venture capital fund to invest in Hungary

By Lucy Kellaway in Brussels

A CONSORTIUM of leading European companies and Hungary's oldest public sector bank have set up the first venture capital fund in Eastern Europe aimed at investing in new projects in Hungary.

The fund, which will have initial capital of $15m, is to concentrate on helping traditional industries employ new production techniques. It also plans to help management of state-owned companies buy out their businesses from the Government.

Mr Gabor Miklos of the Hungarian Foreign Trade Bank said the Government was committed to privatising Hungarian industry – 90 per cent of which is owned by the state – over the next two years, and there would be opportunities for buy-outs. He said industry was needy not only of foreign capital, but also of help in business strategy, marketing and support to help it adjust to a free market economy.

The fund will be run by Euroventures – which is owned by some of Europe's largest companies including ABB, Bosch, Fiat, Olivetti, Petrofina – in conjunction with the Hungarian Foreign Tade Bank. It plans to raise further money from other Hungarian, European and American investors.

The size of the Hungarian fund is expected to grow as new opportunities emerge. It will have the possibility of dipping into the ECU250m invested by Euroventures in other countries.

● The Merrill Lynch $50m Austro-Hungarian fund launched this week is understood to be the first to invest in Hungary's listed equity market. Previous Hungary funds were designed for investment in unlisted joint ventures.

The fund will be managed by Lloyds Investment Management International, a subsidiary of Lloyds Investment Managers. The Austrian adviser is Creditanstalt, while a joint venture between Creditanstalt and Budapest Bank, known as CA-BB Brokers, will be the Hungarian adviser.

Keeping financial services in order

David Lascelles on ideas at the International Monetary Conference

As the UK authorities grapple with the problems posed by the collapse of British & Commonwealth, how regulators deal with conglomerates which conduct many different financial activities under one roof has come to the fore.

Mr Huib Muller, chairman of the Basle-based committee of international bank supervisors, told the International Monetary Conference here this week that co-ordination between different types of regulatory authorities was now a priority.

Although he did not mention B&C, he said "we are witnessing something of a phenomenon in the integration of financial intermediaries, particularly in Europe where large groups are positioning themselves for the single market." These included banking, insurance, securities and fund management groups, and altogether "create something of a headache for bank supervisors," Mr Muller said.

The key issue is that funds belonging to depositors, investors or life insurance policy holders should not be siphoned off to bail out a different part of the group.

Mr Muller said his committee was still some way from providing answers to the question of how this could be done, but he offered some thoughts.

Should one supervisor, for example, have some form of pre-eminence, taking responsibility for the group as a whole, while other supervisors look after particular functions? How freely should one part of the conglomerate be able to draw on funds from another? How far should capital and risk be measured on a consolidated basis?

Although these issues are somewhat less troublesome in the US, where legal barriers still separate many parts of the financial services industry, they have heated the debate about the formation of a single market in Europe.

In particular, there is the question of how to marry the regulation of the banking and securities businesses. Bankers want to compete on an equal footing with securities houses, which raises the possibility, Mr Muller said, that institutions should be regulated according to what they do rather than what they are.

Though Mr Muller stressed that he had an open mind, there was a sting in the tail of his speech. "Banks are very sensitive to confidence factors, and it is a mistake to believe that a retail bank with a wide range of customers on both sides of the balance sheet can be wound down as neatly as Drexel was."

In other words, banks are more delicate creatures than securities houses, and therefore need closer supervision.

The assembled bankers were not glad to hear this message, because they claim to suffer from unfair competition from securities houses. But it echoed earlier comments made by other banking supervisors, such as Mr Brian Quinn, an executive director of the Bank of England, that a "level playing field" between banks and securities houses might be an illusory goal.

US bankers, such as Mr Bill Butcher, chairman of Chase Manhattan, continue to utter their long-standing threats to hand in their banking licences to escape the burdens of regulation.

The UK has devised the concept of "lead regulator" for conglomerates, in which one authority heads a "college" of regulators. The Bank of England played a lead role in assembling the college for B&C, though even there different agencies ended up working at odds with each other. For example, the securities regulators stifled B&C's merchant bank by prohibiting it from taking deposits from the group's investment clients.

In the US, these issues are beginning to be addressed as the prospect of financial deregulation approaches. Mr Denis Weatherstone, chairman of J.P. Morgan, suggested that US conglomerates should have their securities functions regulated by the Securities and Exchange Commission and their banking functions by the Comptroller of the Currency, with the Federal Reserve being general overseer.

Mr Muller reported that his committee was working closely with other bodies such as the International Organisation of Securities Commissioners (IOSCO) to devise ways of supervising risks that banks run in the foreign exchange, securities and interest rate markets. Work on foreign exchange was the most advanced, he said, but he hoped to publish proposals by the end of this year.

But Mr Muller also noted that one of the dangers of regulation was that it protected banks from their own weaknesses and kept too many of them in business, leading to overcapacity and unrealistic pricing of loans and services. This made it essential that banks kept an eye on their long-run profitability.

BANKERS PUT ON A GREEN FACE

ARE bankers turning green? IMC participants were clearly worried about the impact of environmental factors on their lending decisions, their relations with customers and their own operations. Mr Don Fullerton, chairman of the Canadian Imperial Bank of Commerce, said banks were still "at an early stage in the learning process". But he said that banks "must put an environment-friendly face forward if we are to be accepted."

Among the issues for banks is how to measure the benefits of environment-related lending, how good their clients' environment record is and what liabilities banks might incur by lending to companies which were sued for pollution.

Bankers were worried about recent US court decisions which suggested that environmental clean-up had first claim on a bankrupt company's assets, ahead of bank creditors.

BCB Broker offers German cash basket

BCB Broker, the Swedish brokerage group which has pioneered trading in cash baskets of stocks, launched a German basket yesterday, writes Deborah Hargreaves.

The German basket is the company's second product, following its Swedish cash basket in April.

Cash baskets enable investors to sell stocks short by trading in a basket that represents the underlying market – a move that is often difficult to perform in the domestic market. The baskets have a value of $150, but they trade in the local currency and are centrally cleared.

The new basket contains leading German stocks such as Bayer, Daimler, Deutsche Bank, Hoechst, Mannesmann, Siemens and Veba. It is expected to be followed by Dutch, French and Swiss cash baskets before the end of the year.

Cash baskets give investors the opportunity of gaining exposure to a particular stock market without having to take delivery of the shares. They are cash-settled at the end of a year.

First fully private Polish institution wins licence

THE FIRST fully private financial institution, a small bank called Leonard, has been licensed under Poland's economic reforms, Reuter reports.

The licence, issued by the National Bank, will allow the bank to start operating by September. Leonard was created by 10 private business executives and has capital of 10bn zloties. Its main shareholder, Mr Leonard Prasniewski, owns a fashion company.

Last February a small bank named BIG – Bank Inicjatyw Gospodarczych – became Poland's first state-owned financial institution to start privatising itself through a public share subscription offer.

● Polish investors have acquired 60 per cent of their allocation in Universal, the trading company being privatised, but foreigners have taken up only a sixth of theirs. The main worries appeared to be the lack of regulations for transferring profits and dividends, and the absence of a stock exchange in Poland.

Over-the-counter index warrants enjoy growth

By Deborah Hargreaves

THE MARKET for over-the-counter equity index warrants has taken off this year, according to a summary of the market by James Capel, the UK stockbroker.

The brief survey of the market which includes a list of index warrants shows that there have been 88 issues so far this year. This compares with 43 last year, 13 the year before and none during 1987.

James Capel points out that the continuing growth of the warrant market has given added depth and breadth to the over-the-counter sector.

● Huhtamaki, the Finnish food-to-pharmaceuticals group, is considering an international offering of its Series I free shares, Reuter reports.

The company has appointed Enskilda Securities and Kansallis-Osake-Pankki to advise on the issue. Huhtamaki's results for the first four months of this year are due to be released on June 11.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS — Thursday June 7 1990

Figures in parentheses show number of stocks per section

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	75	6	17
Corporations, Dominion and Foreign Bonds	6	2	16
Industrials	420	256	908
Financial and Properties	208	120	410
Oils	13	25	46
Plantations	1	1	8
Mines	12	75	78
Others	65	66	117
Totals	805	551	1,608

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

a Amalgamated dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. s Dividend and yield exclude special payment. ¤ Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990. N Dividend and yield based on prospectus or other official estimates for 1989/90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ¶ Issued by tender. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. * Third Market. B Units comprising 11 new ord. & 2 warrants. ‡ Issued in connection with reorganisation, merger or takeover.

TRADITIONAL OPTIONS

● First Dealings June 8
● Last Dealings June 15
● Last Declarations Sept 6
● For settlement Sept 17

For rate indications see end of London Share Service

Calls in Aviva Pet., Bula Res., Flextech, Tuskar Res., Central & Sheerwood, Ieoped Intl., Pressac, Yale & Valor and Saatchi 6.3pc Cnv. Pref. Put in Laura Ashley.

LONDON TRADED OPTIONS

THE DERIVATIVE markets set the tone for London equities yesterday, with FT-SE 100 index futures leading the way for large parts of the session. In the traded options market, turnover was higher in Rolls-Royce, Pilkington and the FT-SE index options.

The June FT-SE contract's lead over the cash index rose from 40 to 46 points in early trading, and dragged the stock market from negative into positive territory.

The futures markets' advance was spurred by arbitrageurs, who initially sold futures and attempted to buy shares, thereby profiting from the difference between the two markets.

However, the arbitrageurs were unable to buy stock and marketmakers marked share prices higher. This in turn boosted the futures market still further.

During the rest of the session, the futures market continued to lead the stock market higher, with the lack of stock attracting investors towards it. Talk of a bid for a major FT-SE company was further source of support for prices.

The June contract eventually closed at 2,425, up 26 on the day, and 41 points above the FT-SE cash index. According to a "fair value" calculation by BZW, the June contract should only be 19.6 points above the cash index.

In the options market, turnover rose slightly, though dealers said it had still not reflected the recent increase in activity on the stockmarket.

Total turnover stood at 36,681 contracts, of which 10,680 were puts and 26,001 were calls. Dealers said the recent stockmarket rise had prompted some investors to sell calls. The FT-SE Index traded 13,248, of which 4,361 were calls and 8,887 were puts.

Rolls-Royce was the busiest stock option, with dealing dominated by marketmakers. A total of 1,365 contracts changed hands, divided between 777 calls and 588 puts. The September 240 calls, at 458 lots, were the busiest.

Lower-than-expected final profits from Pilkington spurred increased activity. A total of 1,312 contracts were traded, of which 884 were calls and 428 were puts.

[illegible]

FIXED INTEREST

	PRICE INDICES	Thu Jun 7	Day's change %	Wed Jun 6	xd adj today	xd adj 1990 to date
	British Government					
1	Up to 5 years	115.17	+0 13	115 25	0 23	5.48
2	5-15 years	121 15	+0 26	121 10	0 27	5.23
3	Over 15 years	123 74	+0.25	123 44	–	4 91
4	Irredeemables	141.34	–0.69	142 32	–	6 36
5	All stocks	121.15	+0.21	121 14	0.24	5 36
	Index-Linked					
6	Up to 5 years	145.55	+0.06	145 46	–	1 49
7	Over 5 years	138.39	+0.06	138 31	–	1 38
8	All stocks	138 81	+0.06	138.73	–	1 38
9	Debentures & Loans	98.53	+0.32	98.21	–	5.42
10	Preference	73 52	–0 18	73.66	–	2.99

	AVERAGE GROSS REDEMPTION YIELDS		Thu Jun 7	Wed Jun 6	Year ago (approx.)
	British Government				
1	Low	5 years	11.27	11.30	9 93
2	Coupons	15 years	10.97	11.00	9.53
3		25 years	10.88	10.87	9.39
4	Medium	5 years	12.27	12.31	10.94
5	Coupons	15 years	11.44	11.48	10.02
6		25 years	11.06	11 07	9.60
7	High	5 years	12.37	12.40	11.06
8	Coupons	15 years	11.69	11.74	10.35
9		25 years	11.30	11 33	9.80
10	Irredeemables		10 85	10.77	9.40
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs	5.15	5.16	3.98
12	Inflation rate 5%	Over 5 yrs	4.16	4.16	3.79
13	Inflation rate 10%	Up to 5 yrs	4.12	4.13	3.24
14	Inflation rate 10%	Over 5 yrs	3.98	3.98	3.62
15	Debs &	5 years	14 01	13.83	11 91
16	Loans	15 years	12.90	12.94	11.63
17		25 years	12 87	12.93	11.34
18	Preference		12.54	12.52	10.26

‡Opening index 2352 0; 9 am 2355 9; 10 am 2374 6; 11 am 2372 0; Noon 2376 6; 1 pm 2377 8; 2 pm 2384.9; 3 pm 2384.4; 4 pm 2386.3; 4 10 pm 2383 7; (a) 2 43pm (b) 8 38am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 35p

FINANCIAL TIMES
COMPANIES & MARKETS

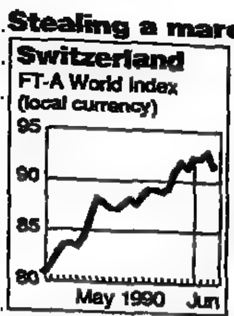
Friday June 8 1990

INSIDE

Foreigners find security in Japan

Foreign securities firms in Japan appear to have shrugged off this year's turmoil in the Tokyo stock market, although the country's own financial institutions have not fared so well. Michiyo Nakamoto reports that the 45 foreign securities firms operating in Japan for more than a year and a half managed to nearly treble their combined pre-tax profits compered to a year earlier. Page 33

Stealing a march in May



Switzerland's neglected bourse stole the lead from France last month in terms of turnover, its volume nearly doubling as foreigners took advantage of a fall in Swiss short-term interest rates. In France, turnover fell by 18.4 per cent as a whiff of large capital raising exercises scheduled for early summer sent investors scurrying for cover. Antonia Sharpe examines the shifting turnovers in European stock markets. Back Page

Regulating the regulators

As authorities grapple with the problems posed by the collapse of British & Commonwealth, the question of how regulators deal with conglomerates which conduct many different financial activities under one roof has once again come to the fore. David Lascelles reports on a conference of bank supervisors who want priority to be given to co-ordination between different types of regulatory authorities. Page 34

Boots advances 16.7%

Sir James Blyth, Boots chief executive, yesterday announced a "sound" profit contribution from the group's Payless DIY stores which would stand them in good stead for their integration, unveiled earlier this week, with W H Smith's Do It All chain. Overall, Boots pre-tax profits advanced by 16.7 per cent with a strong contribution from the group's High Street chemist chain. Page 36

Change of face

Nordiska Kompaniet, the Harrods of Sweden, is being forced under financial pressure to transform itself from a high class department store into a galleria where boutiques, specialised shops and international brandnames will operate through a renting arrangement. Page 30

Pathé delays bid for MGM

Giancarlo Parretti, the controversial Italian financier, raised eyebrows on Wall Street by postponing for the third time the $1.2bn tender offer for MGM/UA being launched by his Pathé Communications. The delay comes only days after Mr Parretti insisted he would complete the closing as scheduled on June 7, reports Alan Friedman. Page 32

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Altana	492	+	10
Goldschmidt	642	+	13
Herlitz	435	+	15
Verein-West	405	−	11
Falls			
Aachener			
Muench	875	−	20
Mercedes Hld	655	−	12

NEW YORK ($)

Rises			
AmeriTrust	19¼	−	⅞
Eastman Kodak	42⅝	+	½
Falls			
Coca-Cola	44⅝	−	⅝
Newmont Gold	39⅞	−	1½
Pharmacy Managmt	13¾	−	2⅛
Toro	25⅝	−	2⅜

New York prices at 12.30.

PARIS (FFr)

Rises			
Bancaire Cie	567	+	9
Cogefi	469	+	20
Simco	840	+	21
Spie-Batignol	667	+	18
Falls			
Club Medit	631	−	18
Gen Geophysique	1312	−	87

TOKYO (Yen)

Rises			
Ishii Prec Tl	1950	+	240
Koa Oil	1100	+	100
Marantz Japan	1450	+	130
Nihon Park'g	1430	+	170
Tsuzuki Dnki K	2200	+	200
Falls			
Nozaki Insatsu	1500	−	180

LONDON (Pence)

Rises			
Abbey National	209	+	5
BM Group	266	+	13
Blue Circle	243½	+	6½
Calor	291	+	12
Comm. Union	505	+	8
GEC	216	+	5
Glaxo	814	+	17
Grand Met	659	+	17
Hillsdown	276	+	11
ICI	1225	+	29
London & Man	350	−	9
MEPC	509	+	15
Manpower	91	+	9
Oxford Inst	235	+	34
Pearson	780	+	21
Powell Duffryn	357	+	10
Ratners	285	+	8
Royal Insurance	498	+	8
STC	281	+	6
Wilks Faber	257	+	9
Falls			
Bass	1060	−	10
Etam	120	−	23
LASMO	398	−	7
Unilever	698	−	7

Nixdorf losses hit DM1bn

By David Goodhart in Bonn

NIXDORF, the troubled West German computer maker recently acquired by Siemens, has recorded one of the largest losses in West German corporate history. It declared a loss of DM1.069bn ($636m) for 1989 on turnover down slightly to DM5.26bn.

Although the loss was at the higher end of expectations, most analysts were not surprised and said that it was inflated by generous restructuring provisions. The ordinary operating losses stood at DM849m.

"Siemens wants to get all the bad news out of the way in one go and get the best tax breaks," said one analyst. Siemens' own results for the current year will not be affected.

The loss is also likely to include widespread inventory writedowns, partly to deal with rapidly falling prices but also to help reduce overlap between Nixdorf and Siemens products.

Uncertainty about Nixdorf's future hit business badly in the fourth quarter, said Mr Horst Nasko, the chief executive.

More disappointing than the enormous loss for 1989 was the indication that losses for most of 1990, before full consolidation with Siemens in October, will continue to be high.

The order backlog in 1989 was 16 per cent down on the previous year. Investment was 23 per cent down at DM578m, but research and development remained the same on DM527m.

The company ran into serious problems about two years ago after a long period of expansion. It recorded an operating loss of DM60m in 1988 although that became a profit of DM26m after property sales.

● Inter Tour Service, the Soviet travel group, has expressed an interest in taking a stake in German Wings, the recently-failed, competitor to Lufthansa.

Mr Dietmar Oelschleger, of German Wings, confirmed that an approach had been made. Interest has also been expressed by a large German car rental firm, as well as airlines from Europe and Canada. The Soviets are thought to be interested in investing up to DM50m. Inter Tour Service has made the approach with Intourist and the Soviet airline group, Aeroflot.

Lauda Air aims to raise Sch450m in Vienna floatation

By Andrew Fisher in Vienna

A TINY Austrian airline, bearing the name of Niki Lauda, the former racing driver who won three Formula One championships, comes to Vienna's stock market next week. It aims to raise Sch450m ($37m).

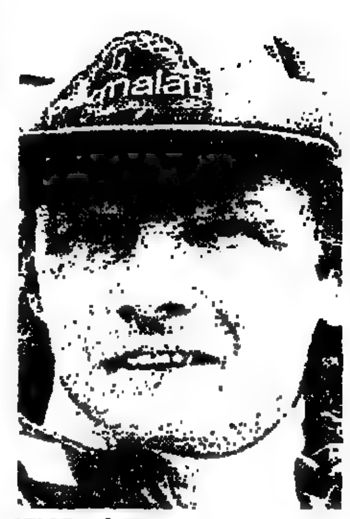
After a battle with the Government to obtain route concessions – the dispute continues – Lauda Air has developed rapidly from its origins as a charter airline. It added scheduled services in 1988 and now flies to Hong Kong, Singapore, Bangkok and Sydney. It plans to extend its network to Seoul and Taipei.

The funds raised from the secondary market flotation will help finance future aircraft purchases. Lauda Air has two Boeing 767-300 aircraft and two 737-300s. Next year, it is buying a Boeing 737-400 and in 1992 another 767-300.

The company also wants to build its own hangar at Vienna airport.

About 25 per cent of the issue will be sold to foreign investors. "It was completely sold out in advance," Lauda said. This was despite Lauda Air's absence of any firm profit record and the view of some bankers that its stock market entry is premature. However, investors' response was characteristic of a market in which stock is in short supply at a time of growing interest in Austrian shares.

For 1990, Lauda Air forecasts operating profits of Sch30m, cash flow of Sch224m, and turnover of Sch1.3bn, a 22 per cent rise on last year. Leading the issue of 500,000 voting shares (priced at Sch220 each) and 2.5m participation certificates (Sch135) is Die Erste Osterreichische Sparkasse. The stock will be sold in packets of one share and five non-voting certificates.



Niki Lauda

Niki Lauda, 41, and his partner, Basile Varvaressos, a tour operator, will continue to hold 80 per cent of the voting shares. At one time, Mr Lauda says, Lufthansa, the West German airline wanted to buy a minority stake in Lauda Air.

Despite initial friction with Austrian Airlines, in which the Government has a majority stake, Lauda operates in relative harmony with the national carrier, which serves Tokyo, but not Australia or Lauda's other Asian destinations.

Pilkington profits down 3%

By Jane Fuller in London

PILKINGTON, the international glass manufacturer, saw pre-tax profits fall by 3 per cent in the year to March 31. It was the first fall in the group's taxable profits since 1986 – before BTR, the UK industrial conglomerate, launched its hostile £1.2bn bid.

Earnings per share, on a higher tax charge, declined to 25p (27.3p), little more than the 24.5p achieved in 1987, when a triumphant Pilkington outdid the forecast put out during the battle.

The figures released yesterday showed a pre-tax profit of £314.3m (£325.2m), flattered by a £29m turnround in "group operations" thanks to the sale of West German assets. Turnover advanced by 13 per cent to £2.91bn (£2.57bn).

In a rising market, the share price shed 8p to close at 199p.

The disappointing performance comes against a background of increasing competition among Europe's glassmakers.

In particular, St Gobain, the French concern which leads the European market, is in a position to build on its 10 per share in the UK through its recent acquisition of Solaglas, one of Britain's largest distributors.

The competitive conditions are also being shaken up by Guardian Industries, the expanding US concern which is building a plant in Hungary and plans another in southern Europe. Pilkington, Europe's number two, is building new lines in the UK and West Germany.

One analyst estimated that European capacity utilisation could fall back to 95 per cent within the next year, after rising from less than 60 per cent to 100 per cent – and indeed a shortfall – between 1986 and 1990. A slackening of demand in UK commercial construction is expected to be an aggravating factor.

Antony Pilkington: conditions were not like 1980s "glass war"

Mr Antony Pilkington, group chairman, said the conditions did not resemble those of the "glass war" in the early 1980s. Then, the pound was overvalued, inflation was high, there was a recession and a flood of new capacity. He said the St Gobain threat in the UK was "not serious." Solaglas would still take Pilkington's products to keep up its range and an indigenous supply line.

His group had a good relationship with many of the Solaglas distributors and more of the independents might turn to Pilkington, which had steered clear of distribution in the UK to avoid competing with its customers.

The group was going ahead on June 20 with its first price rise in more than two years – 7 per cent in the UK and 5 per cent in West Germany, where 50 per cent of its £1.15bn European flat glass turnover lies. Overall, an operating profit increase of 3 per cent was knocked back by increased interest costs of £76.2m (£68.8m) and a £14m reduction in investment income, notably in Brazil following the building of a new line.

Flat and safety glass accounted for £292.8m (£286.2m) of operating profit and £2.26bn (£1.98bn) of turnover.

West Germany had been the star performer, but Scandinavia and the UK had declined. The US was hit by reduced demand for car windscreens.

A key disappointment was Visioncare, the contact lens and spectacles business.

Its operating profit fell by more than £10m to £24.8m.

A second interim dividend of 7.57p makes a total of 10.5p (9.5p). Lex, Page 28

Reviving Lehman Brothers

By Janet Bush in New York

SHEARSON Lehman Hutton, which is reviving the name Lehman Brothers for its reorganised investment banking division, also plans to revive a partnership structure there.

Mr Howard Clark, sent in four months ago to resolve Shearson's problems by its parent, American Express, says the partnership arrangement will promote incentives and give a sense of cohesiveness.

The partnership structure and the change of name are obvious attempts to invoke the image of Lehman Brothers, the distinguished Wall Street house acquired by Shearson in 1984.

The new Lehman Brothers is one of two divisions into which Shearson Lehman Hutton will be split from August. The division will be jointly headed by Mr Richard Fuld, currently Shearson's president capital markets group, and Mr Sherman Lewis, president of investment and merchant banking. It will include capital markets sales, research and trading and investment and merchant banking.

The 10,000-strong retail brokerage network and the asset management business will form a second division, called Shearson Lehman Brothers. This will be headed by Mr Jonathan Linen, former head of direct marketing and travellers' cheques at American Express.

The name Hutton has been dropped. Senior executives said market research showed that clients were confused by the use of both Shearson and Hutton; two retail brokerages, in the company's name after the merger with EF Hutton in 1988.

The reorganisation is intended to place similar businesses under common management and so provide a sharper business focus. Background, page 32

British Land's London properties fall in value

By Andrew Taylor in London

BRITISH LAND yesterday became the second large British property group in less than a week to announce a sharp fall in the value of its office investments in the City of London.

The group said its net asset value had fallen by 7 per cent from 531p to 492p a share during the 12 months to the end of March. Pre-tax profits for the period had fallen 35 per cent to £44.8m.

British Land said the value of its City office properties had fallen by more than 10 per cent. Property prices in London's West End had declined by just over 8 per cent but prices of provincial and overseas property assets had risen by just under 1 per cent.

An announcement by Great Portland Estates of a 17 per cent fall in the value of its City office property portfolio, knocked 8 per cent off the value of the FT-Actuaries property share index on Tuesday.

British Land's share price rose 1p yesterday to 334p. It ended the day more than a sixth down from its peak of 405p in mid-January.

Mr John Ritblat, chairman, said any attempt to restructure the group was unlikely to succeed in the immediate future.

The board recommended a final dividend of 5.25p compared with a total dividend of 4.63p for the previous year.

Coloroll becomes latest victim of Britain's economic downturn

By Alice Rawsthorn, in London

COLOROLL, once seen as one of the UK's most successful consumer products companies, yesterday became the latest casualty of the economic downturn when it went into receivership with debts of up to £400m.

The news of Coloroll's collapse came on the day that the latest Confederation of British Industry/Financial Times Distributive Trades Survey showed investment intentions among retailers and wholesalers were more depressed than at any time in the seven years since the survey was started.

Coloroll is one of a number of companies to have suffered from the Government's policy of maintaining high interest rates which is increasing industrial costs and depressing consumer demand.

Goldberg, the fashion retailing group, also went into receivership yesterday. Etam, another fashion retailer, and Coats Viyella, one of the UK's leading textile groups, both warned shareholders at their annual general meetings that they were experiencing trading problems.

Coloroll is among the largest of the recent rash of receiverships in the UK. It employs 8,500 people in companies spread across the country from Somerset to Scotland.

It is involved in almost every area of home products with interests in carpets, ceramics and wall coverings.

The company rose to prominence in the bullish stock market of the mid-1980s when its young management team, led by Mr John Ashcroft, staged a series of acquisitions.

After the stock market crash in 1987, Coloroll continued to expand but was forced to borrow to pay for its acquisitions.

As a result Coloroll built up heavy debts. It also incurred hefty liabilities from its disposals that followed its biggest deal, the £207m bid for the John Crowther textile group.

John Ashcroft, Coloroll's former chairman

Since interest rates rose last year, Coloroll has suffered severely from a decline in demand across the home products market. The company has also struggled to meet the interest payments on its debts.

Last autumn it announced a sharp fall in pre-tax profits from £20m to £10m on turnover of £283.5m for the six months to September 30. It was expected to report a more dramatic drop in profits for the full financial year.

In January this year Coloroll issued a profits warning and announced that it needed to restructure its finances. A few weeks later the flamboyant Mr Ashcroft resigned, to be succeeded as chairman by Mr Kenneth Marks, who, calling himself 'Mr Pots & Pans', favoured a more subdued management style.

Coloroll's banks, led by the National Westminster, have been supporting the company for the past few months in the hope of organising a rescue package. Three weeks ago Candover Investments, a venture capital company, announced preliminary proposals for a rescue.

However, it called off its proposals at midnight on Tuesday after its due diligence review disclosed the full extent of Coloroll's financial and operational problems.

Mr Marks said yesterday that after Candover's withdrawl the company "had no alternative" but to call in the receivers.

Ernst & Young, the accountancy group, has been appointed. It has been advising Coloroll's banks since February. Mr Nigel Hamilton, national head of its insolvency and recovery department, estimated the value of Coloroll's debts to banks and trade creditors at "anything between £300m and £400m."

The Coloroll companies will continue to trade. Mr Hamilton said Ernst was determined to keep them going for as long as possible in the hope of finding buyers. Most of the companies, except for a furniture business and one of the carpet factories, are operating profitably albeit at a low level. Mr Marks was "very upset" about the receivership. He had planned to retire, but said he would prefer to carry on working as "someone always wants pots and pans men."

Lex, Page 28

INTERNATIONAL COMPANIES AND FINANCE

Single-mindedness at Multi-Purpose

Lim Siong Hoon on efforts to reshape the Malaysian conglomerate

Kamunting is a toll-road operator. Malaysian Plantations (MPlant) grows rubber and palm oil. Multi-Purpose Holdings, the best-known, is in all sorts of businesses: the big ones are banking, gambling and property.

The three are linked by a maze of intertwining shareholdings which at its source has Mr Lim Thian Kiat, aged 31. A newcomer to large-scale Malaysian business, Mr Lim was propelled into the big league by two things: family background and privatisation.

He comes from the ranks of Chinese immigrants who had amassed fortunes from tin, rubber and trade. When privatisation offered an opportunity in 1988, the Lim family built and ran a toll road intersection – a lucrative business with a book value of M$100m (US$37m) and an income stream to last 16 years.

With energies left to spare, Mr Lim began showing an acquisitive appetite. With financial backing from the toll income, the first takeover target was Kamunting, formerly a tin miner. It was followed by MPlant, a unit plucked out from Multi-Purpose for M$42m.

Multi-Purpose, after four troubled years, was still languishing in debts and poor profitability. Late last year, Mr Lim combined the resources of Kamunting and MPlant to take control of it, too.

At the outset Mr Lim was seen as a white knight. But that image has dimmed, in part because some of the minority shareholders do not share his optimism that Multi-Purpose, despite its vast array of assets, is worth the M$590m he wants to raise from them. Some form of leverage financing is now thought necessary.

Multi-Purpose has been slimmed down dramatically under Mr Lim. Asset sales have been been used to halve the group's M$400m debt. This was not possible before before because Multi-Purpose was the family silver, a "people's company" created 15 years ago by the Malaysian Chinese Association, a party in the Government.

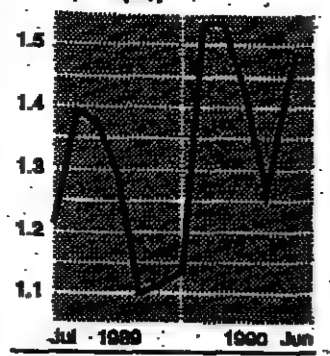
Its transfer to entrepreneurial ownership has signalled the ruin of a marriage between politics and business.

Freed from political constraints, Mr Lim has altered the group's revenue base and its entire structure. Its Dunlop plantation and Mulpha trading units, worth around M$500m, have been sold. More plantation units, and shipping as well, are to follow. The future, as he sees it, is in property, a business known to his family under Mr Lim Ah Tam, its patriarch.

One such ambitious scheme calls for M$1.5bn (in 1987 values) to develop a 573 hectare site near Kuala Lumpur. As early as last October, Mr Lim had convinced Magnum, an associate of Multi-Purpose, to sell this project to a subsidiary of MPlant where his family has a stronger hold.

Multi-Purpose Holdings

Share price (M$)



But an unexpected challenge came from another strong corporate figure – Mr Vincent Tan, who heads the diversified Inter-Pacific group. Mr Tan also has his eyes on Magnum, but with the property intact. The Government has also intervened, refusing to approve Mr Lim's offer.

One solution to the impasse came this week when Magnum offered to sell the scheme to General Lumber, a Malay-controlled timber processing company. Magnum, in turn, would take a stake in General Lumber and government approval would be sought once more.

Mr Lim is meanwhile seeking to merge Kamunting and MPlant. Kamunting Amalgamated (KAB), the resulting group, would have an eventual capital base of nearly M$770m, a ranking close to Multi-Purpose. The creation of KAB, Mr Lim says, is motivated by the need for a stronger financial base.

The amalgamation is designed to remove the cross-holdings. Kamunting has a 32 per cent stake in MPlant and 29 per cent in Multi-Purpose. In turn, both MPlant and Multi-Purpose have stakes in Kamunting, at 30 per cent and 18 per cent respectively. Thus the merger would also narrow the three-way relationship to two – between KAB and Multi-Purpose.

The two merging companies have a combined paid-in capital of nearly M$700m. On completion, KAB's initial capital base will amount to M$500m, of which 17 per cent will be held by the Lim family and 13 per cent by Multi-Purpose.

Synergy is not a factor in the amalgamation: the groups are a disparate lot. It is being big that counts. "Big is beautiful," ventures Mr Low Yong Suang, Kamunting's legal adviser.

Growth in fax use lifts Hongkong Telecom

By John Elliott in Hong Kong

HONGKONG Telecommunications, the local monopoly operator controlled by Cable & Wireless of the UK, yesterday announced attributable profits of HK$4.36bn (US$559m) for the year to March, a rise of 20 per cent.

Turnover increased 19 per cent to HK$14.1bn, primarily as a result of a 20 per cent increase in international telephone traffic and a 43 per cent increase in outgoing facsimile and data traffic. Turnover in international telephone services rose 23 per cent to HK$7.97bn.

Capital expenditure totalling HK$8.4bn is planned for the next three years, including HK$3bn this year. Mr Michael Gale, chairman, said expansion was continuing despite a decline in Hong Kong's rate of economic growth.

During the year, the Peking-controlled China International Trust and Investment Corporation (Citic) secured a 20 per cent stake in the company. Hongkong Telecom and Cable & Wireless hope this will improve their potential, both in China and in Hong Kong after the colony returns to Chinese sovereignty in 1997.

About 17 per cent of international revenues come from traffic with China, and Mr Gale said that this was increasing at about 35 per cent a year. The increase last year was 43 per cent, boosted by telephone and fax calls during the Tiananmen Square crisis.

Mr Gale said yesterday that talks had started with the Hong Kong Government about the future of the company's monopoly franchise on domestic telephonic voice communications. This expires in 1995.

Some senior civil servants want to end the monopoly and allow voice communications to be supplied additionally by Hong Kong Cable Communications, a consortium which secured a local cable television franchise last year.

This consortium, which includes Wharf Holdings, founded by Sir Yue-Kong Pao, and US West, has faced internal problems and is several months behind schedule.

Air New Zealand tops flotation profit forecast

By Our Financial Staff

AIR NEW ZEALAND has celebrated its first year in private ownership with a 39.7 per cent jump in net profits to NZ$101m (US$58.7m).

Expectations had been for a rather flatter performance for the year to March, during which its traffic was affected by the Australian pilots' dispute and its own failure to secure pilot agreement to fly long-range Boeing 747-400s.

The result exceeded a NZ$95.8m profit forecast made in a flotation prospectus last September.

The bulk of the rise, however, came from an abnormal contribution of NZ$28.7m from the sale of two aircraft and a number of properties. It also benefited from a NZ$9.2m tax credit compared with a NZ$18.8m debit. Turnover was NZ$1.90bn against NZ$1.72bn.

A final dividend of 6.5 cents makes a total of 11.5 cents a share.

Air NZ is 35 per cent owned by Brierley Investments with smaller stakes held by Qantas, Japan Airlines and American Airlines.

Directors said it was disappointing that its share price had fallen from an issue level of NZ$2.40 last October – yesterday they rallied 7 cents to NZ$1.95.

Decline on Tokyo SE hits Japan life assurance firms

By Clay Harris in Tokyo

JAPAN'S eight leading life assurance companies saw the value of their unrealised capital gains fall by Y8,973bn ($59bn), or nearly 24 per cent, to Y28,888bn in the year to March.

The fall, from a record of Y37,861bn at the end of the previous financial year, reflected the sharp decline in the Tokyo stock market in the first three months of 1990. In addition, the companies lost a total of Y931.2bn on sales of securities, with Dai-Ichi Mutual Life alone losing Y218bn.

This was the first year they had been obliged to disclose unrealised gains. The figures exclude gains on property holdings, which are carried at book value until disposal.

The insurers, which are mutual companies, will consider how to pass on the latent profits to policy holders.

The companies reported total premium revenue of Y20,723bn, an advance of 7.7 per cent from the previous year. Total assets grew by 18.3 per cent to Y91,386bn, with the largest increase – 27.3 per cent – being achieved by the smallest of the eight, Chiyoda Mutual Life.

Total return on assets edged up by 0.37 percentage points to 7.06 per cent. However, the return on foreign assets jumped by nearly 2.5 points to 8.7 per cent, with Yasuda Mutual Life recording the highest increase – a yield of 12.24 per cent, more than 4.5 percentage points better than in 1988-89.

Singapore Press share deal

By John Elliott

SINGAPORE Press Holdings, owner of the Straits Times, is to take a 5 per cent stake in South China Morning Post (Holdings), which is at present wholly owned by Mr Rupert Murdoch's News Corporation of Australia.

United Overseas Bank of Singapore, together with some of its subsidiary and associated companies, is to take a further 9 per cent.

These stakes were announced yesterday by News Corporation which said it had applied to the Hong Kong Stock Exchange for a listing of the total 1.5bn shares of 10 cent par value.

It confirmed that two 17.5 per cent blocks of shares are to be offered for sale and placed with institutional and professional investors.

Details of the transactions, which price the shares at around HK$3 each, will be announced on Monday.

News Corporation is retaining a 51 per cent stake.

Post (Holdings) is incorporated in Bermuda.

James Hardie earnings up 22.8%

JAMES HARDIE Industries, an Australian building products company, boosted profit after tax 22.8 per cent to A$102.6m (US$79.2m) in its year ended March, AP-DJ reports from Sydney.

Revenues fell 15.6 per cent to A$1.28bn because the company spun off its Spicers Paper unit. Excluding Spicer, sales rose 18.8 per cent to A$1.26bn.

Directors said the profit growth was achieved despite a slump in Australian building activity in the final quarter, difficult operating conditions in New Zealand, and sluggish US construction activity.

The company warns that current year "is likely to be a very tough period."

INTERNATIONAL CAPITAL MARKETS

Treasuries slip as Fed chief quits

By Janet Bush in New York and Stephen Fidler in London

US TREASURY bonds moved in a tight range yesterday morning, losing small gains at the opening amid uncertainty following the resignation of Mr Manuel Johnson, vice chairman of the Federal Reserve Board.

At midsession, prices were quoted marginally lower with short-dated maturities and the Treasury's benchmark long bond quoted ⅛ point lower at midsession.

The yield on the long bond was 8.44 per cent.

Mr Johnson's resignation will be effective on August 3. He will return to George Mason University, assuming the Koch chair in international economics, and become director of the Center for Global Market Studies.

The news eroded gains at the long end of the yield curve but the reaction was muted. The bond market is sitting out the rest of this week, which has seen no major economic figures, concerned to see what fresh economic evidence emerges next week.

GOVERNMENT BONDS

Most of next week's important economic data is bunched at the end of the week. Thursday sees the publication of May producer prices, which are expected to have turned modestly higher after two months of declines.

Friday will be the most important day, with the release of May consumer prices, industrial production and capacity use as well as the April merchandise trade balance.

■ WEST German government bonds continued their decline under the weight of fundamental and technical factors.

Figures showing a sharp drop in West Germany's trade and current account balance in April were interpreted as showing that production was increasingly meeting domestic, rather than foreign, demand. This also unsettled the D-Mark on the foreign exchange market, further undermining D-Mark bonds.

Reports of labour unrest in East Germany also unsettled the market, which was weighed down by worries that bonds delivered under the expiring June contract on the London International Financial Futures Exchange were increasing supply.

Trading surpassed 50,000 lots on Liffe, suggesting active two-way business. The active September contract opened around the day's highs at 82.60, moved down to 82.12, then rallied towards the end of the day.

Yield spreads between the German, French and Dutch markets continued to narrow, despite expectations that the Dutch Government would announce a new 10-year bond sale for next Tuesday.

■ REMARKS by the UK Chancellor, Mr John Major, were cited as a reason for a somewhat stronger performance of the UK government bond market.

Without apparently saying much that was new, Mr Major said that progress had been made on external conditions for the entry of sterling into the exchange rate mechanism of the European Monetary System.

As for internal conditions relating to progress on British inflation, he said an inflation rate comparable to those used on continental Europe – that is, excluding mortgage rates and the poll tax – would be used to ascertain the appropriate time for entry.

The market closed near its highs. On Liffe, 19,386 long gilt contracts changed hands. Liffe closed near its highs at 83-01, ½ point up on the opening 82-21.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		10.000	4/93	94-03	+09/32	12.51	12.71	13.43
		10.500	5/99	91-27	+13/32	12.01	12.18	12.68
		9.000	10/08	83-21	+13/32	11.09	11.15	11.49
US TREASURY *		8.875	05/00	102-24	+01/32	8.46	8.63	8.85
		8.750	05/20	103-14	+04/32	8.43	8.61	8.84
JAPAN	No 119	4.800	6/99	87.8918	-0.022	6.99	6.97	7.27
	No 2	5.700	3/07	93.3522	-0.074	6.53	6.56	7.05
GERMANY		7.750	02/00	93.2500	-0.200	8.80	8.70	8.51
FRANCE	BTAN	9.000	02/95	96.0370	0.038	10.07	10.00	9.75
	OAT	8.500	03/00	92.1500	-0.030	9.77	9.66	9.47
CANADA *		9.750	05/00	94.8500	0.350	10.60	10.91	11.27
NETHERLANDS		9.000	05/00	99.8500	-0.230	9.02	8.99	8.94
AUSTRALIA		12.000	7/99	92.3485	-0.051	13.49	13.49	13.63

London closing. *denotes New York morning session
Yields: Local market standard
Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

Tokyo fall benefits foreign securities firms

By Michiyo Nakamoto in Tokyo

THE DECLINE of the Tokyo stock market earlier this year may have dealt a heavy blow to Japan's mighty financial institutions, but foreign securities firms in Japan were able to boost their profits despite it.

The 45 foreign firms, which have been operating in Japan for more than a year and a half, saw combined pre-tax profits in the year ended March 1990, nearly treble those of the year before. Combined pre-tax profits totalled Y44bn ($289m) on operating income totalling Y295.2bn.

This was the first time that foreign securities firms posted after-tax profits, which came to a combined Y10.1bn and compared with an after-tax loss of Y4.3bn.

The surge in the combined results of the foreign firms is in stark contrast to the downturn at Japanese firms, which suffered a sharp fall in commission income due to the plunge in share prices and trading activity in the final quarter of the financial year.

However, independent figures show that a handful of firms were responsible for most of the rise. In particular, US firms active in arbitrage between the cash and futures markets made a substantial proportion of the overall increase in profits.

Salomon Brothers, for example, posted the largest pre-tax profits of Y14.8bn. The combined pre-tax income of Salomon Brothers and Morgan Stanley, the two most active in arbitraging between the cash and futures markets, accounted for close to half the pre-tax figure for foreign firms.

Although Salomon attributed its profit gain mainly to a substantial increase in commission income from Japanese clients, it also cited a surge in profits from trading operations, including index arbitrage.

Many of the continental bank-affiliated securities firms reported continuing pre-tax losses, mainly because of a late move into or lack of derivatives business. BHF Securities, an affiliate of Berliner Handels-und Frankfurter Bank, reported a pre-tax loss of Y360m, while Dresdner ABD Securities saw a loss of Y180m.

J.P. Morgan Securities reported the biggest pre-tax loss of Y1.16bn. However, Deutsche Bank saw a large improvement from a pre-tax loss of Y610m in the last business year to a profit of Y1.1bn. The German bank was helped by a surge of Japanese interest in West German stocks following the moves towards German unification.

Comparing the figures of various firms can be misleading, since they have different accounting treatments. For example, some firms have been known to book profits outside Japan to escape high Japanese corporate taxes. The recent improvement could be attributed in part to a move by foreign firms under pressure from the Ministry of Finance to book more profits in Japan.

Most firms saw a substantial rise in commission income from Japanese clients. Officials at the firms point to a growing shift in Japanese investor practice, which has been working to their advantage. Japanese investors, they say, are placing greater emphasis on research and the trend has accelerated due to the Tokyo market's recent volatility.

"We've certainly picked up a lot of domestic customers after the crash," says Mr Richard Greer, branch manager of Baring Securities in Tokyo. The Japanese market is shifting from a liquidity-driven market to one based on fundamental research.

"Foreign firms that do quality research have benefited from this," says Mr Greer. However, he also cited futures and options as two sectors that have helped Barings' earnings.

TOP TEN FOREIGN SECURITIES FIRMS (Ybn)

	Commission income 3/90	Commission income 3/89	Trading income 3/90	Trading income 3/89	Pre-tax profit 3/90	Pre-tax profit 3/89
Salomon Bros.	30.7	8.2	11.4	9.3	14.9	7.5
Asia Morgan Stanley	27.2	11.6	7.2	1.2	5.5	0.8
Baring Secs.	15.3	4.8	1.2	0.2	5.1	1.2
Goldman Sachs	18.9	8.0	−1.1	0.2	1.9	0.9
BT Asia	5.4	1.1	0.2	0.01	1.8	0.3
Shearson Lehman	10.8	2.3	1.5	0.9	1.6	−1.1
Merrill Lynch	19.5	8.5	−1.3	−0.2	1.4	0.2
Smith Barney	8.1	1.8	1.7	1.8	1.4	−0.2
Jardine Fleming	11.3	4.3	0.3	0.4	1.3	0.3
Societe General	1.4	0.5	3.1	0.7	1.3	0.1

Source: Nikkei Newsletter on Bond and Money

French auction sells FFr9.25bn worth of bonds

THE FRENCH Treasury sold FFr9.25bn worth of bonds at its regular monthly auction in a climate of marginally higher yields, writes George Graham in Paris.

Most of the auction was divided between two medium-term bonds: the main 10-year tap stock, OAT 8.5 per cent 2000, with FFr3.75bn, and an old tap stock now with eight years to maturity, OAT 9.5 per cent 1998.

This was revived partly to meet demand from individual investors following the repayment of an old government bond largely held by individuals.

The Treasury accepted bids for FFr3.26bn of the eight-year bond at a cut-off price of 98.7, giving a weighted average yield of 9.73 per cent. For the 10-year tap stock, a cut-off price of 92.14 gave a yield of 9.77 per cent, 7 basis points higher than at last month's auction.

A further FFr2.24bn was sold of the main long bond, OAT 8.5 per cent 2019, at a cut-off price of 86.3, giving a yield of 9.94 per cent.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Latest prices at 6:15 pm on June 7

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	99⅞	99⅞	−⅛	9.43
ALBERTA PROVINCE 9 3/8 95	600	100⅛	101	−⅛	9.30
AMERICAN GENERAL 9 3/4 95	100	97	98⅛	+⅛	10.54
AUSTRALIA 11 1/4 90	100	107⅞	108⅛	−⅛	9.97
AUSTRIA 8 1/2 00	400	95⅛	95⅝		9.27
BANK OF TOKYO 8 3/8 96	100	95⅛	95		9.49
BELGIUM 9 1/8 92	400	100⅛	100⅜	−⅛	9.02

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
COUNCIL EUROPE 7 94 LFr	600	91⅛	92⅛		9.74
KREDIETCORP 7 93 LFr	1000	92⅞	93⅞		9.70
WORLD BANK 8 96 LFr	1000	93	94		9.61
AMRO BANK 6 1/4 92 Fl	150	96	94⅞		9.39
DENMARK 8 1/2 91 Fl	100	99	99⅝		9.64
HEINEKEN 7 5/8 94 Fl	150	95⅛	96⅛		8.99

YEN STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
AUSTRALIA [illegible]	30000	93⅛	93⅛	−⅛	6.87
BARCLAYS [illegible]	40000	94⅛	95	+⅛	7.12
CREDIT FONCIER 5 1/4 94	20000	93½	94		6.96
DENMARK 7 95	40000	100⅞	101⅛		6.76
EIB 4 5/8 94	40000	92⅛	93		6.79
FNMA [illegible]	50000	100⅛	100⅝		6.76
GENERAL ELECTRIC 5 3/4 93	35000	96⅛	96⅛		7.26
ITALY 5 3/4 92	150000	98½	98⅝		6.77
NORWAY [illegible]	50000	93⅞	93⅞		6.71
PHILIP MORRIS 6 1/2 91	20000	98⅛	99⅛	+⅛	8.76
SWEDEN [illegible]	20000	95	95½	−⅛	6.77
WORLD BANK 6 3/4 00	50000	100⅛	100⅝	−⅛	6.69

CONVERTIBLE BONDS	Issued	Cnv. price	Bid	Offer	Prem.
HILLSDOWN 4 1/2 02 £	150	4.16	97⅞	98½	+52.86
INTL PAPER 5 3/4 02	200	68½	88⅞	89⅞	+16.52
LAND SECS 6 3/4 02 £	84	6.72	83⅛	84⅛	+12.34
METAL BOX 5 3/4 02 £	65	1.93	111⅞	114	−1.86
MITSUBISHI BK 1 3/4 02	300	2727.1	91	93	−1.25
OGDEN 6 02	85	39.077	85⅞	86⅛	+22.03
PACIFIC DUNLOP 6 3/4 97	75	3.749	103⅛	104⅛	+1.53
SUMITOMO BANK 3 1/8 04	300	3606.9	66⅛	67⅛	+9.51
TEXAS INSTRUMENTS 2 3/4 02	300	82⅞	77⅛	78⅛	+55.70
THORN EMI 5 3/4 04 £	103	7.45	105⅞	106⅞	+3.11

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv date=First date of conversion into shares. Cnv price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Strong US side helps lift Yale and Valor to £56m

By Vanessa Houlder

YALE and Valor, the security and home products group, yesterday announced a 15 per cent increase in pre-tax profits from £49.3m to £56.6m for the year to March 31. Turnover increased by 19 per cent from £349.1m to £414.7m.

Mr Michael Montague, chairman, said the domestic market remained weak, with the exception of industrial products, while in the US, a strong performance was anticipated from NuTone, the electric appliance business and the commercial and industrial side of Yale.

The extent of progress in the coming year would depend on the level of interest rates and the severity of the winter, he said.

Home products, the largest part of the group, put in a weak performance in the UK, but were strong in the US. The mild winter affected sales of products such as gas heaters and electric blankets.

NuTone, the electric appliance business, was said to have produced a "fine" result and further benefits of the reorganisation of Miami Carey are expected this year.

In the security products division, Yale experienced low demand in the UK and Sweden but did well elsewhere. It is marking its 150th anniversary year by changing the standard for its front door keys from 200,000 combinations to 1m.

In the industrial products division, the water heating operations met targets, with large orders from the petroleum industry. The sale of the catering equipment business was completed on March 30.

The break-down of operating profits was as follows: home products £35.4m (£31.1m); security products £21.7m (17.7m); industrial and other products £4.6m (£4.1m).

In North America, operating profits increased from £38.0m to £45.5m on turnover up from £195.8m to £252.4m.

Interest payable increased from £3.9m to £5.3m. There was an extraordinary charge of £3.9m (£3.3m)

Fully diluted earnings per share increased from 27.34p to 31.2p. A final dividend of 6.15p (5.30p) was recommended, making a total of 10.05p (8.75p) for the year.

Michael Montague: domestic market remained weak

• COMMENT

Yale & Valor is facing another challenging year. In the US, the stodgy state of commercial building and new housing starts may make matters difficult for Yale and NuTone. In the UK, high interest rates are having a depressing effect on electrical and gas appliances. That said, the company is doing what it can to offset these problems with the introduction of new products, tighter control of cash and more rationalisation. A harsh winter could give it an added bonus, increasing profits by an estimated 5 to 10 per cent. The vagaries of the weather lend considerable uncertainty to forecasts, but assuming it makes pre-tax profits of £62m this year, the shares, up 9p to 327p, are on a fairly valued p/e of 10.

Exceptional costs hit Sanders & Sidney

SANDERS & Sidney, the USM-quoted executive outplacement counselling service, is expanding rapidly and will shortly be moving to new premises in London and opening a Midlands office.

In the year ended March 31 1990 it lifted turnover to £3.77m (£2.98m) and profit to £1.08m (£852,000). But there was an exceptional charge of £339,000 to leave the pre-tax balance at a lower £738,000.

Mr Nigel Sanders, chairman, said operating profits in the second half were virtually double those of the first, and they continued to advance in the current year.

Comparing the second half with the first, fee income increased from £1.4m to £2.3m and operating profits were up from £385,000 to £711,000.

He said the market for the company's services had continued to grow, and he believed it was achieving a significant gain in market share. The exceptional costs related to board changes, and comprised £239,000 total cost for employment of a chief executive, Mr Stephen Rowlinson, and £100,000 pension payment to another director.

Earnings were 14.2p (11.7p) but reduced to 9.5p after the exceptionals. The final dividend is 5.2p for a total of 7.5p (6.9p).

Lonrho advances 34% at operating level

By Vanessa Houlder

LONRHO, the international trading conglomerate headed by Mr Tiny Rowland, yesterday announced a 8.3 per cent fall in pre-tax profits from £120m to £110m for the six months to March 31.

However at the operating level, profits increased by 34 per cent from £82m to £110m. Last year's figures were bolstered by a £38m windfall gain from the sale of whisky stocks, realised when Lonrho sold its European drinks businesses to Brent Walker.

Turnover increased to £2.57bn (£2.43bn).

Although the results exceeded most analysts' expectations, the share price fell 2p to 255p.

Lonrho said that its mineral extraction and refining activities made a significant contribution to the profits increase, through sales of platinum group metals and gold. Platinum production had moved sharply ahead, it said. Hondo Oil & Gas also contributed a better first half.

In the UK, hotels and the Scottish newspaper interests reported higher profits. However, manufacturing – in particular, steel and textiles – were affected by the downturn in the economy and Lonrho said full-year profits in these divisions would be unlikely to match those of last year.

In Europe, Kühne & Nagel, the freight forwarding operation and Krupp Lonrho, the international trader, moved ahead.

"Lonrho is looking at a number of proposals to expand its activities in Europe and the group is already one of the largest British investors in the Federal Republic of Germany," the company said.

Earnings per share fell from 11.6p to 9p. Excluding last year's profit from the whisky stocks sale, they moved ahead from 7.5p to 9p.

A second interim dividend of 5p was declared, based on increased share capital following the 1-for-10 capitalisation issue in April.

Tiny Rowland – mineral extraction and refining activities made a significant contribution to the profits increase

Lower demand sees Edbro fall to £3.6m

LOWER PRE-TAX profits of £3.6m were announced by Edbro, the designer and manufacturer of hydraulic tipping hoists, truck bodies and loading equipment, for the year ended March 31. The previous figure was £4.2m.

The directors said that profits fell mainly because the UK demand for tippers collapsed in the autumn of 1989, and as that market was the group's most profitable its fluctuations had a disproportionate effect on profits.

They added that UK demand was likely to remain depressed and some other markets were also weakening.

An unchanged final dividend of 8p is recommended for a same again 11p total. After tax of £1.1m (£1.3m) earnings per share fell from to 34p to 28p.

Sales rose by just 4 per cent to £32.9m (£31.5m). Trading profits fell to £4m (£4.4m) while interest charges doubled to £400,000.

Capital spending totalled £3.5m during the year although year-end cash less borrowings improved from £2.8m to £3.5m.

Last time there was an extraordinary £700,000 profit.

DIVIDENDS ANNOUNCED

Boots	fin	7.15	Aug 20	6.5	11	10
British Land	fin	5.25	Aug 22	3	5.25	4.63
Century Oils	fin	4.25	-	4.25	6	6
Crown Comms §	int	1.5	July 18	1.5	-	5
Daily Mail	int	27	-	25	-	100
Edbro	fin	8	Aug 16	8	11	11
French (Thomas)	int	1.45	Aug 31	1.45	-	3.925
Hunter Saphir	fin	3.7	Aug 21	3.7	5.05	5.05
Lanca	fin	0.25†	-	1	1	1.85
Lonrho	int	5	Oct 1	4.545*	-	14.154*
Norcros	fin	11	Aug 13	11	16	16
Northern Foods	fin	7.25	Aug 17	6.5	12.5	11.25
Oxford Instrum	fin	2.7	-	2.2	3.9	3.2
Pilkington	fin	7.57	Aug 17	6.84	10.5	9.5
Sanders & Sidney	fin	5.2 §	-	4.6	7.5	6.9
600 Group	fin	3.74	-	3.74	6.2	6.2
South West Water	fin	11.62	Oct 1	-	11.62	-
TR Technology	fin	2‡‡	Aug 13	1.5	2	1.5
Yale & Valor	fin	6.15	Oct 5	5.3	10.05	8.75

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ♦Third market. ‡‡Includes special 0.4p payment.

CORRECTION
Sanderson Murray

Mr Tony Bramall is chairman of Sanderson Murray & Elder (Holdings), and not CD Bramall, as was stated in yesterday's FT.

Lanca loss due to start-up costs

Lanca reported a loss of £88,000 for 1989, on sales up 6 per cent from £14.8m to £15.7m. The handbag importer and character merchandiser had warned on the outlook in March, but expected to remain in profit. In 1988 the company made profits of £1.44m.

The final dividend has been cut to 0.25p, making a total of 1p (1.85p) for the year. After tax of £13,000 (£527,000) there was a loss per share of 0.38p (6.96p). The shares closed up 1p at 18p.

Mr Andrew Greystoke, chairman since the departure of Mr Chimu Gidoomal in March, said the losses were due largely to three start-up operations established during the year. All three were now making good progress. Orders for the first four months of 1990 were 41 per cent ahead of the comparable period.

Marylebone Estates shares up on talks

Shares in Marylebone Estates, the property investor and dealer, rose 10p to 28p after it announced that it was in talks with a third party which might lead to an offer being made for the USM-quoted company.

In the year to December 31, Marylebone made pre-tax profits of £4m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- Dwyer, Heavitree Brewery, United Scientific.

Finals- Anglian Water, Portsmouth & Sunderland Newspapers, Property Partnerships, Wintrust, Yorkshire Radio Network.

FUTURE DATES

Interims-

Carr's Milling Industries	June 12
Manchester Ship Canal	Aug. 14
Southern Business	July 4
TSB	June 20

Finals-

Booth Industries	June 20
Northumbrian Fine Foods	June 14
PCT	June 12
Reject Shop	June 18
Sateland	June 12
Syltone	June 18

Measures are being taken to improve the non-chemist businesses

Boots advances 17% to £358m

By Clare Pearson

A STRONG contribution from the High Street chemist chain pushed pre-tax profits of Boots, the retailing and pharmaceutical group, ahead by 17 per cent from £306.7m to £358m in the year to end-March.

The advance came in a year when Boots made a big push into other retailing activities with the £900m purchase of Ward White in August 1989. Boots this week announced it was merging the do-it-yourself stores with those of retailer WH Smith.

Earnings per share rose by 13 per cent to 25.5p (22.6p). The final dividend is lifted to 7.15p (6.5p) making 11p (10p) for the year. Group sales at £3.38bn (£2.7bn) were up by 25 per cent.

Excluding US businesses now sold or in the process of sale, the Ward White autoparts and DIY businesses put in profits of just £39m before interest from their inclusion on August 22 last year.

The contribution from Payless DIY was £11.8m on sales of £139.9m. Sir James Blyth, chief executive, said that given the retailing environment, this provided a "sound" background to its integration with WH Smith's Do It All stores.

Elsewhere Boots The Chemists, the core of the group, increased pre-interest profits by 26 per cent to £190m (£151m) on sales up 9 per cent to £2.27bn (£2.08bn).

Success of Synthroid, the thyroid drug, in North America was the main factor behind a 16.6 per cent rise in profits of the pharmaceutical division to £111.1m (£95.3m) scored on sales of £583.8m (£524.6m).

Sir James confirmed that current clinical trial results of Manoplax, Boots' heart treatment which last year appeared to have stalled, were encouraging. "We are now very confident about the future of that drug," he added.

Sir James said good sales of sun preparations, which he attributed to the hot weather, had helped last year's performance of Boots The Chemist.

On current year group prospects, Sir James said he was confident the Boots group would be "well up with the leaders in profitable retailing in the coming year."

Measures being taken aimed at improving the non-chemist retailing division's performance include a TV advertising campaign for Halfords, the Ward White autoparts business, and the piloting of a smaller store format for the loss-making Children's World shops.

Including the acqured businesses, the total contribution from the division last year stood at £24m (against a loss of £1.4m). The contribution from property was £54.4m (£46.1m).

Net interest and unallocated items took £29.8m (£15.7m credit).

See Lex

Tony Andrews

Robert Gunn (left), chairman, with Sir James Blyth – confident about the current year

South West Water beats forecast with £45.3m

By Clare Pearson

SOUTH WEST Water, which yesterday became the third of the water companies floated last November to report yearly results, is recommending a net dividend in line with its prospectus forecast at 11.62p.

This is being made on pre-tax profits for the year to March 31 just under 2 per cent higher than its forecast of £44.5m at £45.3m.

On Wednesday Thames Water surprised the market with a recommended dividend 3.6 per cent higher than promised, on pre-tax profits 5 per cent higher than forecast. But earlier in the week North West stuck to its dividend forecast while profits were 7 per cent ahead of the prospectus forecast.

South West said investors could expect the company to pursue a "progressive dividend policy" in the future. The partly-paid shares closed 1p lower at 161p.

The company said that if the new capital structure had been in place since April 1 1989 it would have made pre-tax profits of £82.8m, against its pro forma forecast of £82m. Notional earnings per share were 61.9p, against the 61.3p forecast.

In line with other water companies, South West is embarking on a 10-year capital expenditure programme. It expects this to cost £1.4bn at 1990-91 prices. The major expenditure will be on improvements in sewage treatment and sludge disposal.

In the current year, it has budgeted for capital investment about 50 per cent higher than last year's £78m, which was half as much again as in the previous year. Operating costs rose to £77.1m (£55.1m).

South West said growth in the core water and sewage business would be supported by "careful development of non-core enterprises". Non-core activities already in place included fishing, souvenir and catering outlets and the acquisition of a Cornwall-based civil engineering company.

Turnover during the year rose by 13 per cent to £121m (£106.3m). The pre-tax figure for 1988-89 was £38.1m.

Prepared meals side helps Northern Foods to £90m

By Jane Fuller

NORTHERN FOODS pushed up pre-tax profit by 6 per cent from £85.3m to £90.2m in the year to March 31, recovering from earlier food scares and high pork prices.

Turnover advanced 5 per cent to £1.09bn (£1.04bn). One factor was the growth in sales to Marks and Spencer, Sainsbury, Tesco and Safeway, which between them accounted for 40 per cent of total sales, compared with 35 per cent the previous year.

Mr Christopher Haskins, chairman; said the group would benefit from food legislation proposed to combat hygiene worries, because it had *the technology* and trained staff to conform with higher standards.

He did, however, launch an attack on "hysterical responses" to stories about possible health risks. Although the public seemed to find it difficult to believe government scientists, "we are satisfied that if we do what the scientists advise us to do, the risks are remote."

The mad cow scare had sent the prices of all meats up and down. But ironically sales of beef products, such as pies, had gone up in the past few weeks, "probably because it has been cold and wet."

In the dairy activities, sales were flat at £457.9m (£455.7m), but operating profit advanced 8 per cent to £46.4m. Mr Haskins said margins had benefited from the franchising of 2,000 milk rounds and other cost reductions.

The most rapid growth in operating profit came from convenience foods, such as prepared meals, which had recovered from a health scare to make £14.5m, a 10 per cent increase for the year. The launch of a new range of snacks in the autumn had gone well.

The meat group made an operating profit of £18.2m (£17.5m). Mr Haskins said high pork prices had hit Bowyers sausages and it had been a difficult year for poultry. The group had withdrawn from roast chickens, closing a factory.

On the grocery side, operating profit was static at £15.2m. Although unhappy about slack demand for biscuits, he believed the upper end of the market had growth potential and that was where the Fox's brand was aimed.

Capital investment hit a record £76m as a new chilled meals factory was opened at Sheffield and a Lancashire biscuit factory *substantially* extended.

Christopher Haskins: "the risks are remote."

Investment to improve productivity, particularly through shedding labour, had been carried out in the pie and meats divisions.

Gearing rose to 7 per cent, but Mr Martin Clark, finance director, said the group should become cash positive this year as it reduced capital spending to £60m.

Earnings per chare advanced to 29.25p (27.43p). A final dividend of 7.25p makes a total of 12.5p (11.25p).

The share price gained 8p to close at 317p.

Failed talks force Goldberg to receiver

By James Buxton, Scottish Correspondent

A GOLDBERG, the Glasgow-based fashion retailer, yesterday abandoned its long fight for survival and asked Bank of Scotland to appoint a receiver. It revealed heavy losses for the last financial year and said discussions on a major acquisition which would have increased the company's equity base had failed.

Earlier, shares in Goldberg were suspended at 37p.

Goldberg, which owns fashion stores in England and Scotland, has been the centre of intermittent bid speculation for more than two years. Fletsand Investments, a private group which owns the Lewis's chain of department stores, holds a 25.1 per cent stake. Last year Goldberg fought off a £32m cash takeover bid from Blacks Leisure, the sports and leisurewear group.

The company said last night that it incurred trading losses of £9.6m in the year to March 31 1990, before interest charges of £1.1m and provisions for exceptional items. It said that, like other high street retailers, it continued to be hit by very *difficult trading conditions.*

To tackle the difficulties it appointed a new chief executive, Mr Adrian Atkinson, in January and began an extensive rationalisation programme which resulted in the closure of some loss-making stores and redundancy for 300 staff.

But although this action cut operating losses by about £10m on an annualised basis, the continued trading losses and provisions for exceptional costs of reorganisation resulted in rising borrowings "set against a significant reduction in the net asset value of the group."

Last week the company *announced that it was in discussions* which could lead to a "major acquisition" involving an increase in the equity base. There was unconfirmed speculation that this would have involved a reverse takeover by Fletsand, enabling Fletsand to obtain a listing.

Goldberg said yesterday that strenuous efforts to obtain additional funding and complete the proposed deal had failed. It had asked Bank of Scotland to appoint a receiver.

Goldberg has been in loss since the 1988-89 financial year when the pre-tax deficit was £2.92m and the final dividend was cut. *At the interim stage* of 1989-90 the pre-tax loss was £4.58m and the interim dividend was passed.

Globe releases updated asset valuations in bid defence

By Nikki Tait

GLOBE, Britain's biggest investment trust and currently on the receiving end of a £1bn hostile bid from the British Coal Pension Funds, yesterday published updated asset valuations, reflecting the recent rise in stock market levels and its full ownership of Globe House.

The trust said that net asset value per share at June 4 stood at 218.1p. This compares with 210.03p at May 11, and 213p at end-March. The bulk of the advance is due to the recent rally in share prices.

However, a smaller portion of the uplift – equivalent to 1.4p per share – arises from Globe's purchase last month of the lease on Globe House. The freehold of the building, close to the Temple law courts in London, has been owned by Globe since the 1940s, and was valued at £13.1m in the latest accounts. The lease was subsequently bought for £54.5m, and the entire asset then revalued at about £75m.

Globe argues that this net asset value should be adjusted by five further items to give a "total value" of 232.7p a share – although some aspects of these changes have attracted *considerable controversy*. The adjustments, however, were included in previous defence documents and in this case there is only one small alternation. In arriving at the 232.7p Globe adds 3.4p in respect of its debenture stock, compared with 4.15p in the May defence document. The downward revision, Globe said, was due to market movements.

The Coal Pension Funds immediately hit out again at the "total value" figure, and claimed that the net asset value figure should take account of bid defence costs plus the write-off of the trust's investment in British & Commonwealth – worth 1.4p a share and deducted in the total value calculation but not from net assets.

Refocusing costs cut 600 Group to £8.59m

THE REFOCUSING and reorganisation at 600 Group left the machine tools, lasers and optics maker and distributor with a loss for the year to the end of March of £1.7m after an extraordinary charge of £4.51m. The result compared with retained profits of £2.26m, when the extraordinary charge was £1.85m.

The shares closed 2p higher at 108p.

Pre-tax profits for the period fell by 15 per cent from £10.08m to £8.59m. The fall would have been greater but for property profits of £896,000, against losses of £791,000 last time.

Directors said the biggest single factor in the fall had been the reorganisation of its Colchester Lathe machine tool offshoot which reduced profits by about £1.7m. The changes were now complete.

Group sales, slightly lower at £155.78m (£156.54m), were affected by the decision to withdraw from contracting in the Middle East. The extraordinary item was a full provision to cover the costs. of the withdrawal.

Capital spending in the year was a record £7.8m and the investment is set to continue this year. In January $3.3m cash was spent on acquiring certain assets of ILM, US maker of lasers.

The company said that the immediate outlook for the UK economy was not encouraging, with inflation and high interest rates likely to inhibit capital investment. Order books at the end of the March were satisfactory.

After a tax charge of £3.35m (£2.55m) earnings per share came out at 11.4p (14.8p). The directors are recommending an unchanged final dividend of 3.74p, for a maintained total payment of 6.2p.

TR Technology NAV falls 33.4p

Net asset value per share at TR Technology investment trust stood at 118.3p at April 30, compared with 151.7p a year earlier.

The decline in total net assets, from £164.6m to £162.9m, reflected a particularly difficult year for the UK electronics sector, underperformance by the US technology group and a noticeably weaker Japanese market.

Gross revenue improved to £6.96m (£5.7m). After tax of £1.33m (£1.15m) net revenue was £3.04m (£2.83m) for earnings per share of 3.1p (2.78p).

A single final dividend of 1.6p (1.5p) is proposed, plus a special 0.4p dividend to reflect the benefit of high interest rates to the revenue account.

Oxford Instruments exceeds £15m

By Peter Franklin

IN SPITE OF the trading losses at its recently-merged body scanning business in the first half, Oxford Instruments yesterday reported a 9 per cent advance in profits for the year to March 25.

Before tax and exceptional items profits increased from £14.3m to £15.5m. Sales however were marginally down from £101.1m to £100.8m.

The flat turnover figure reflected the drop in sales of its MRI magnets during a period of uncertainty after it sold its medical scanner magnet business into a joint venture – Oxford Magnet Technology – with Siemens in May last year.

Sir Austin Pearce, the chairman, said Oxford's dependence on its body scanner business had been a concern to shareholders. This dependence had now been reduced and the activity put on a sound basis, he added.

The proceeds of the sale were used four months later for the purchase of Link Scientific Group. Link manufactures x-ray analysing systems which can be used for such things as detecting imperfections in alloys used in the aerospace industry.

This company had made a good start, said Sir Austin, and as expected had made a significant contribution to the results.

Borrowings at the year-end stood at £1.1m, even after taking into account the £42m cost of the Link acquisition. These had since been completely eliminated and the company currently had no borrowings, he added.

The synchrotron project, a development which could revolutionise the production of silicon chips, was proceeding to plan, and it was expected that the prototype would be ready for its initial trials by the end of the year, the chairman said.

A further provision of £1.5m has been added to cover cost overruns, bringing the total over three years to £4m. There was also an exceptional profit of £5.8m from the disposal of assets related to the joint venture.

The tax charge increased to £6.9m (£4.04m) after which earnings per share increased to 21p before and 26.8p after exceptional items. This compared with 19.1p and 15p respectively last time.

The directors recommend a final dividend of 2.7p net of related tax credit making a total for the year of 3.9p (3.2p).

Sir Austin said the company now had a well balanced portfolio of businesses and he was confident of continuing steady improvement.

Oxford's shares closed up 34p at 233p.

Hunter Saphir falls by 8% and expects present year to be hit by reorganisation

HUNTER SAPHIR, which in January initiated a programme aimed at focusing the group into three areas of activity - fresh produce, herbs and spices, and speciality food manufacturing, experienced an 8 per cent drop in profits, from £6.05m to £5.58m; for the year ended February 28 1990.

But earnings moved up to 15.32p (14.14p) and the dividend is held at 5.05p with a final of 3.7p.

Turnover fell to £137.87m (£167.58m) reflecting the disposal of the canned food trading business, although underlying sales of retained businesses rose 14 per cent, and trading profit declined to £6.5m (£7.98m). Interest charges shot up to £2.47m (£1.93m) but there was a £1.5m exceptional credit relating to the fire at British Pepper and Spice factory in Northampton.

Mr Nicholas Saphir, the chairman, pointed out that the current year would still be affected by the high cost of bridging the acquisition and disposal programme, and the cost of the timing difference between expenditure on the British Pepper rebuild and the recovery from insurance.

Those features would particularly hit the first half, but he looked for a satisfactory full year with the positive effects of the strategy becoming increasingly evident over the next two or three years.

Since the year-end the Northfleet contract distribution depot was sold for £4.5m and the disposal of the larger London Colney distribution depot was being negotiated. Ten Doesschate had been acquired for an initial £13m.

There was an extraordinary charge of £1.19m, being mainly the net costs in closing Saphir Foods and Hunter Farms.

T French halved at midway

REDUCED TRADING in the UK has led to interim profits being halved at Thomas French, maker of curtain styling and home improvement products.

For the six months ended March 31 1990 turnover fell to £9.32m (£11.24m) and the pretax profit to £507,000 (£1.06m) after interest charges of £172,000 (received £22,000).

In the UK, sales of established consumer products fell 16 per cent because of lower demand and trade destocking. In contrast, overseas business performed well, exports were a record, and the electric surface heating side had a good period.

As there was little sign of an improvement in demand or a fall in interest rates, the directors did not expect an improvement in the second half. However, they are holding the interim dividend at 1.45p from earnings of 2.77p (5.72p).

Looking further ahead, they said a continuation of the cost reduction programme and the expectation of profits from new products gave confidence that 1990-91 would be satisfactory. Full year savings from a reduction in overheads were anticipated at £500,000.

Crown Communications profits down by 22%

PRE-TAX PROFITS at Crown Communications, the broadcasting group, fell 22 per cent from £3.79m to £2.95m in the six months to March 31 1990.

Mr Christopher Chataway, chairman, said Crown Television traded strongly, with new TV programmes for BSB and a number of new clients for Independent Radio Sales.

LBC, however, experienced a fall of 1 per cent in sales - a considerable drop on previous growth rates. The slowdown in advertising revenue came at a difficult time before its two new split frequency services were established, and while it was still operating in insufficient premises with a high cost structure.

All expenses of LBC's split frequency launch were being written off in the current year, he added.

The chairman said it was difficult to forecast results but he was hopeful the recovery in radio revenue would be maintained.

Turnover for the half year came to £12.18m (£10.19m). Net interest charged was £688,000 (£29,000 receivable) and there were exceptional credits of £2.1m (£2.25m). They were made up of £4.96m on investment disposals and £1.09m on property sales, less frequency split costs written off £3.94m.

Earnings dropped to 7.1p (10.2p) and the interim dividend is again 1.5p.

UK COMPANY NEWS

Trading conditions and interest hit Century Oils

TAXABLE PROFITS at Century Oils, which manufactures, sells and distributes lubricants and allied products, fell by £1.14m to £2.91m in the year to March 31.

Although turnover rose, from £94.09m to £97.47m, raw materials and operating costs rose more, from £89.11 to £94.17m, causing operating profits to drop to £3.32m (£4.98m).

There was an exceptional credit (arising from the sale of surplus assets) of £1.84m (£332,000), but net interest payable increased to £2.31m (£1.28m). Below the line, tax took £739,000 (£1.14m), leaving earnings down at 6.74p (8.82p) per share.

The directors have recommended maintaining the final dividend at 4.25p for an unchanged total of 6p.

The company said that trading conditions were difficult and that in the UK and other areas there had been a further marked downturn in volume of salesin the market, particularly during the final quarter.

The programme to reduce overheads was in place and the benefits had begun to be felt. The company said that a further series of efficiency measures was to be implemented to improve profitability.

The board said it remained confident that the re-organisation and these measures taken in the core business, along with the the company's efforts to realise the potential from investment in new business opportunities, had begun a reversal of the recent downward trends.

Interest credit helps stem fall at Illingworth Morris

A LARGE increase in net interest receivable and a rise in exceptional profit limited the decline in pre-tax profits at Illingworth Morris, the processor of wool and fibres which was reregistered as a private company in April, in the year to March 31.

From £9.43m, the taxable result slipped to £9.04m buoyed by interest credit of £2.09m (£188,000) and exceptional items of £387,000 (£199,000).

The company said that in February its subsidiary J&J Crombie was transferred to an intermediate holding company within the Hartley Investment Trust group and that its results had not been included in Illingworth's profit and loss account.

The company maintained that, as a result, members would better appreciate and understand Illingworth's results following the reorganisation.

After a reduced tax charge of £2.63m (£3.15m), earnings rose slightly to 15.7p (15.3p) per stock unit.

Daily Mail at £21.8m but warns on advertising

By Raymond Snoddy

THE DAILY MAIL and General Trust yesterday warned of continuing pressure on advertising revenues when it unveiled profits of £21.8m before tax and exceptional items for the six months to the end of March.

This represented an increase of 14.7 per cent over the same period last year for the holding company for everything from Associated Newspapers, publishers of the Daily Mail and Evening Standard, to Euromoney and Northcliffe Newspapers, the regional newspaper group.

The results were not, the company said, directly comparable with last year's and DMGT said that there had been an underlying increase in both turnover and trading profits of 3 per cent. Turnover rose from £282.5m to £311.6m

Before exceptional items, which in 1989 included the sale of the group's interest in Consolidated-Bathhurst and the company's listed investment portfolio at a total profit of £179.7m, earnings per share were flat at 146.9p compared to 146.5p.

DMGT said the deceleration in economic growth in the UK had resulted in "a difficult trading environment for newspapers."

The 'A' ordinary shares closed £1 lower at £49 yesterday.

Mr Peter Williams, finance director, said the pressure on advertising revenue was more noticeable in the south-east, and the Evening Standard, which is heavily dependent on classified advertising, was particularly affected.

"There is such pressure on revenues I think we were very pleased to secure a 3 per cent increase. But we are well placed to take advantage of an upturn," Mr Williams added.

Lord Rothermere, chairman of Daily Mail and General Trust

At Associated Newspapers the reduction in overall revenue largely offset the benefits of cost reductions and operating efficiencies. But DMGT said it had a comparative advantage because market leadership of the group's titles had been maintained.

"A satisfactory outcome in the circumstances is anticipated for the full year," it added.

Analysts are predicting profits of between £56m and £60m for the year to September.

Mr Derek Terrington, publishing analyst of UBS Philips & Drew who is lifting his forecast to £59.5m, said yesterday of the results: "This is fairly drab. It shows that the national advertising recession is hurting."

Mr Terrington estimates that DMGT should achieve pre-tax profits of £70m for 1990-91.

The directors have declared an interim dividend of 27p for each ordinary/A ordinary non-voting share, against 25p in the same period last year.

Shortlist for Celltech stake

By Peter Marsh

BANKERS handling the proposed sale of a one-third stake in Celltech, a leading UK biotechnology group, have drawn up a shortlist of about 10 chemicals and drugs businesses interested in taking a shareholding.

Celltech has in effect been up for sale since last November when British & Commonwealth Holdings, the financial group, said it wanted to sell its 34.6 per cent stake. Under Stock Exchange rules, any single group buying this stake would have to make a full bid for the company.

Last Sunday B&C was put into administration and this has put extra pressure on Baring Brothers, the bank handling the proposed sale, to find a purchaser.

Celltech, which was set up in 1980 under the auspices of the UK Government's National Enterprise Board, is owned by a number of shareholders, including Midland Bank and the Prudential insurance company. It is thought to be worth about £120m, although putting a value on the business is difficult because many of Celltech's products are still in the development phase.

So far no single group has expressed a willingness to take over Celltech, which has about 450 employees and had sales last year of £20m. About 10 companies have, however, expressed an interest in taking some of the equity. Most of these companies are chemicals or pharmaceuticals groups from Japan, the US and western Europe.

Celltech has the reputation of being the doyen of British companies in biotechnology – the name for a group of new biology methods for making medicines and other chemicals.

The company has taken longer, however, than it hoped to turn its ideas into products. Despite this it says that two biotech-derived pharmaceuticals under development – for treating heart ailments and an often fatal conditionknown as septic shock – are progressing well through clinical trials.

Celltech believes it could operate with a consortium of owners, some of which would be interested in using biotechnology in new products and processes. It already has research links with a number of established drugs groups.

The uncertainty at the company about ownership has increased with a question mark over top management. Mr Gerard Fairtlough, chief executive since the company started, intends to step down on September 30, soon after he reaches the age of 60.

Mr David Gration, the company's former chief operating officer and the deputy manager to Mr Fairtlough, left a few weeks ago. This was after the Celltech board indicated he was not going to succeed Mr Fairtlough.

The company is looking for a senior industrialist to take over as chairman and chief executive. It hopes this appointment will be made by the autumn.

UK SHARE OWNERSHIP DISCLOSURE

On Friday June 1, provisions of the Companies Act 1989 came into force requiring an investor owning 3 per cent or more of a UK public company to declare this ownership. The previous level at which disclosure had to be made was 5 per cent. The Financial Times will be printing a summary of Stock Exchange announcements of disclosures of holdings of between 3 per cent and 5 per cent. Announcements in today's table include some made on Wednesday and those made yesterday for which space permits inclusion. Those announcements crowded out today will appear tomorrow.

KEY
The companies in which the stakes have been disclosed are shown in bold.
For each, the names of the investors are followed by the shares they hold, in thousands, and the percentage this represents of the company's total shares outstanding.

AMEC
Morgan Grenfell Group 8,636 (4.96%)
Norwich Union Fund Managers 2,584 (3.66%)
Phillips & Drew Fund Management 3,026 (4.28%)
Abbeycrest
Barclays Bank 845 (3.66%)
TSB Group 845 (3.65%)
Acal
Thompson Clive Investments 475 (3.47%)
Alexandra Workwear
BS Pension Fund 1,650 (4.90%)
Charles Richard Thurlow Laws 1,026 (3.16%)
Christopher John Leon Moorsom 1,033 (3.07%)
Midland Bank 1,606 (4.77%)
Mr & Mrs GD Davis 1,066 (3.16%)
Mr & Mrs JM Prior 1,130 (3.36%)
Mr CFE Davis 1,672 (4.97%)
Mr CJL Moorsom 1,033 (3.07%)
Mr CRT Laws 1,026 (3.05%)
Mr GJ & Mrs PM Davis 1,066 (3.16%)
Allied Insurance Brokers
Grahams Rintoul Investment Trusts 440 (4.47%)
Anglo & Overseas Trust
National Westminster Bank 3,824 (3.06%)
Schroder Investment 4,560 (3.66%)
Anglo-Eastern Plantations
Gartmore Pacific Strategy 800 (3.64%)
Scottish American Investment 1,096 (4.99%)
Appleby Westward
Framlington Group 240 (4.30%)
Argos
TSB Group 11,012 (3.70%)
Argyll Group
Prudential Corporation 33,165 (3.60%)
Scottish Widows 39,326 (4.16%)
Armour Trust
Norwich Union Life Insurance - (4.06%)
Royal Insurance - (3.13%)
Aspen Communications
Globe Investment Trust 560 (4.32%)
Associated-Henriques
Barclays Bank 1,007 (3.19%)
Automated Security (Holdings)
National Provident Institution 614 (4.40%)
BICC
Barclays Bank 13,346 (4.88%)
Fornara Group 10,171 (3.74%)
Guardian Royal Exchange 8,701 (3.20%)
Norwich Union Life 9,870 (3.66%)
BPB Industries
Australian Mutual Provident 12,686 (3.04%)
Norwich Union Life Insurance 13,893 (3.35%)
Babcock International
British Rail Pension Trustee Company 17,073 (3.82%)
Baggeridge Brick
Kleinwort Benson Group 1,612 (4.08%)
Standard Life Assurance 1,300 (3.30%)
Bailey (CH)
Royal Bank of Canada Group 2,067 (3.80%)
Beazer
Robert Fleming Holdings 9,161 (3.26%)
[illegible] (A)
Throgmorton Street Nominees 387 (3.20%)
Bellway
Midland Bank 802 (3.13%)
Bett Brothers
Dundee and London Investment Trust 584 (3.86%)
Executors of Albert Andrew Bett 553 (3.69%)
Executors of John William Bett 620 (4.14%)
Invesco MIM 817 (-%)
Prudential Assurance 624 (4.16%)
Bimec Industries
Friends Provident Life Office 2,306 (3.61%)
Midland Group 2,636 (4.10%)
Black Arrow Group
Ocean Nestor Pension Scheme 1,010 (4.06%)
Blick
Schroder Investment Management 796 (3.85%)
Standard Life Assurance 750 (3.63%)
Brake Bros
Framlington 1,981 (4.40%)
Braswey
Glyn Merrell 3,236 (4.27%)
Imperial Group Pension Trust 3,600 (4.75%)
Breders Properties
Midland Bank 1,830 (4.99%)
Bremner
Laurentain Life 437 (3.73%)
Mr J McKinney 425 (3.62%)
Bristol Evening Post
Bristol United Press 898 (4.25%)
M&G Group 890 (4.22%)
Bristol Waterworks
PAT (Pensions) - (3.24%)
Sun Life Assurance - (4.91%)
Britannia Assurance
Pearl Group 1,976 (3.19%)
Brooke Tool Engineering
Northern Trust 1,423 (3.61%)
Buckingham International
BBC Pension Trust 4,201 (3.49%)
Globe Investment Trust 4,000 (3.32%)
Scottish Mutual Assurance 3,740 (3.10%)
Burns-Anderson Group
Eric Baskind 1,519 (4.42%)
Prudential Corporation 1,382 (3.79%)
Scottish Amicable Investment Managers 1,295 (3.77%)
CML Microsystems
Morgan Grenfell Group 706 (4.10%)
CRT Group
Standard Life 1,422 (3.23%)
Throgmorton/Framlington Investment Trust 1,375 (3.13%)
Cabra Estates
Mr Werner Rey (John Duggan Properties) 4,250 (4.42%)
Royal Bank of Scotland 3,673 (3.71%)
Royal Exchange Trust Nominees 3,486 (3.59%)
Channel Tunnel Investments
Mars Security 73 (4.95%)
Chemring Group
Pearl Group 125 (3.52%)
Chesterfield Properties
Pearl Group 617 (3.21%)
Chieftain Group
Throgmorton USM Trust 275 (3.30%)
Church & Company
Sun Alliance Group 380 (3.62%)
Clark (Matthew) & Sons
NatWest Investment Bank 382 (4.06%)
National Westminster Bank 372 (4.11%)
Pearl Group 275 (3.04%)
Clarke Hooper
Eagle Star Insurance 565 (3.70%)
Morgan Grenfell Group 491 (3.25%)
South Tyneside Metropolitan Borough Council 540 (3.60%)
Clayform Properties
Sun Life Assurance 1,886 (4.99%)
Clinton Cards
Finimmo 570 (3.08%)
Coloroll Group
Abu Dhabi Investment Authority 8,125 (4.08%)
Legal & General Assurance 9,587 (4.82%)
Colroy
Colonial Mutual 265 (3.02%)
Scottish Heritable Trust 322 (3.67%)
Conder Group
Sun Alliance Investment Management 1,725 (4.19%)
Control Techniques
Schroder 728 (3.00%)
Cooper Clarke Group
BAT Industries 250 (3.38%)
Kingfisher Pension Trustee 315 (4.26%)
Copson (F)
Barclays Bank 480 (4.12%)
British Telecom Staff Superannuation Scheme 461 (3.96%)
Midland Bank 481 (4.13%)
Pesstone - (2.91%)
Royal Exchange 479 (4.12%)
Cowie (T)
TSB Group 4,972 (3.92%)
Denmans Electrical
Imperial Investments 205 (-%)
Mrs Dorothy May Denman 152 (-%)
Mrs Gladys Edith Elizabeth Denman 126 (-%)
Dukeminster
Barclays Bank 2,803 (3.28%)
EBC Group
Barclays Bank 412 (3.12%)
Electrocomponents
Baillie Gifford 6,940 (4.36%)
Eliza Tinsley Group
Mr & Mrs John Warrender Green 314 (-%)
Mr G P Green & Mr E R Jeynes & Mr G S Green 221 (-%)
Europa Minerals
Morgan Grenfell Group 1,696 (4.49%)
European Home Products
Barclays Bank 1,892 (3.67%)
F&C Enterprise Trust
Equity & Law Life Assurance 2,667 (3.06%)
London & Manchester Group 3,700 (4.25%)
Sun Alliance Investment Management 2,740 (3.15%)
F&C Germany Investment Trust
Robert Fleming Holdings 1568 (3.92%)
Fairbriar
Provident Mutual 1,830 (4.80%)
Ferguson Industrial Holdings
Bunzl 1,588 (4.87%)
Sun Life Assurance 984 (3.09%)
Filofax
Barclays Bank 885 (4.76%)
Flagstone Holdings
Mars Security 4,211 (3.07%)
Fleming Far Eastern
British Coal 6,303 (-%)
Fleming International High Income Investment Trust
Co-operative Insurance Society 4,464 (4.00%)
Fleming Overseas Investment Trust
Royal London Mutual Insurance Society 98 (4.93%)
Fleming Universal Investment
National Westminster Bank 2,323 (3.40%)
Fosseco
Britannia Assurance 3,559 (4.36%)
Frogmore Estates
British Coal 1,400 (-%)
Frost Group
Barclays Bank 469 (3.22%)
Framlington Investment Management 197 (1.38%)
National Provident Institution 515 (3.61%)
Robert Fleming 429 (3.00%)
Throgmorton Dual Trust 340 (2.38%)
Throgmorton Investment Management 158 (1.08%)
Throgmorton Trust 650 (4.55%)
Throgmorton/Framlington 472 (3.30%)
Fundinvest
British Coal 460 (-%)
Gaskell
ST Andrews Trust 218 (4.60%)
General Consolidated Investment Trust
London & Manchester Group 578 (3.19%)
Gibbs & Dandy
Gibbs & Dandy Pension Trustees 79 (4.54%)
Glynwed International
Britannic Assurance 10,130 (4.97%)
Govett Atlantic Investment Trust
National Westminster Bank 2,888 (4.57%)
Govett Strategic Investment Trust
National Westminster Bank 3,988 (3.72%)
Robert Fleming Holdings 3,612 (3.39%)
Great Southern Group
Gartmore - (4.72%)
[illegible]
Sun Alliance 1,660 (3.96%)
Guinness
British Coal Pension Funds 9,838 (-%)
CIN Management 9,862 (3.19%)
Halma
Barclays Bank 3,797 (3.80%)
Harris (Philip) Holdings
Imperial Group Pension 240 (-%)
National Westminster Bank 374 (-%)
Hepworth
Britannic Assurance 7,046 (3.84%)
Highland Distilleries
Britannic Assurance 8,168 (4.88%)
British Rail Pension Trust 8,900 (4.75%)
Hogg Group
British Airways 2,385 (4.80%)
British Coal/Mineworkers 2,486 (4.80%)
Eagle Star 1,571 (3.10%)
Midland Bank 1,995 (3.90%)
Phillips & Drew Fund Management 2,[illegible] (5.10%)
Hopkinsons Holdings
Barclays Bank 2,424 (3.67%)
Britannic Assurance 2,250 (3.40%)
Norwich Union Fund Managers 2,202 (3.61%)
IBA International
BAT Industries 1,058 (3.65%)
Royal Bank of Scotland 1,078 (3.88%)
International Business Communications (Holdings)
Bank of Scotland Group 1,178 (3.09%)
Phildrew Nominees 1,831 (4.61%)
International Colour Management
Eagle Star 280 (3.80%)
Kelsen
National Westminster Bank 2,580 (3.30%)
Laird Group
Britannic Assurance 2,934 (3.04%)
British Telecom Staff Superannuation Scheme 3,365 (3.48%)
Lanca Handbags
London Securities 610 (4.99%)
Lanca Holdings
Kleinwort Benson Investment Management 475 (3.88%)
Mars UK Pension Fund 605 (4.95%)
Leading Leisure
Framlington Group 3,030 (4.80%)
Lee (Arthur) & Sons
Pearl Group 1,150 (3.50%)
Lees (John J)
Mars Security 386 (4.12%)
Leigh Interests
Witan Investment 2,000 (4.11%)
[illegible]
Postel Investment Management 1,429 (4.33%)
Scottish Amicable 1,971 (6.01%)
Lincat Group
Charterhouse Tilney 298 (4.30%)
Equitable Life Assurance 305 (4.40%)
Friends Provident Life Office 340 (4.91%)
Lincoln House
Slebe Pension Trustee 885 (3.26%)
Linread
British Airways Pension Trustees 875 (4.80%)
British Telecom Staff Superannuation 594 (3.30%)
London Scottish Bank
Equity & Law Life Assurance 1,795 (3.11%)
Framlington Group 5,540 (4.49%)
Royal Insurance 2,592 (4.53%)
Lopex
British Gas Pension Funds Management 850 (4.05%)
Gartmore Investment Management 875 (4.29%)
[illegible]
Norwich Union Life Insurance 2,706 (3.49%)
Low (William)
Clerical Medical & General Life Assurance 1,611 (4.09%)
Lowe (Robert H)
3i Group 377 (4.20%)
British Aerospace Pension Funds 303 (3.40%)
Mars Security 441 (4.90%)
Scottish Mutual 310 (3.50%)
Tyne & Wear County Superannuation Fund 300 (3.37%)
Lowe (Robert)
3i Group 377 (4.20%)
British Aerospace 303 (3.40%)
Mars UK Pension Fund 441 (4.90%)
Scottish Mutual UK Smaller Companies 310 (3.50%)
Tyne & Wear County Superannuation Fund 300 (3.37%)
Lowndes Queensway
Phillips & Drew Fund Management 31,970 (4.85%)
Lyles (S)
Mars Security 360 (4.95%)
M&G Dual Trust
Exeter High Income Trust 210 (3.65%)
Kleinwort Benson Group 188 (4.37%)
M&G Second Dual Trust
Exeter High Income Trust 350 (3.60%)
MAI
BAT Industries 14,600 (4.81%)
British Telecom Staff Superannuation Scheme 12,247 (3.98%)
Norwich Union Life Insurance Society 15,469 (4.68%)
MS International
Eagle Star Insurance 910 (3.32%)
Popeshead Nominees 850 (3.10%)
Throgmorton Street Nominees 1,190 (4.34%)
Magnetic Materials Group
Commercial Union 550 (3.08%)
Schroder 850 (4.77%)
Mallett
Lloyds Investment Managers 575 (4.16%)
Manganese Bronze Holdings
Mr Jamie Borwick 589 (3.57%)
Singer & Friedlander 507 (3.07%)
Mansfield Brewery
Barclays Bank 546 (3.46%)
Britannic Assurance 535 (3.40%)
National Westminster Bank 728 (4.62%)
Martin Currie European Investment Trust
National Westminster Bank 784 (3.41%)
Matin Currie Pacific Trust
RTZ Pension Investments 800 (4.99%)
Maunders (John)
RX Pensions 1,134 (4.67%)
McAlpine (Alfred)
Standard Life Assurance 1,509 (4.26%)
McCarthy & Stone
Phillips & Drew Fund Management 2,299 (4.82%)
Merlin International Green Investment Trust
TSB Group 1,008 (4.00%)
Metro Radio Group
Barclays Bank 416 (4.37%)
Microgen Holdings
Baillie Gifford 1,166 (3.00%)
Barclays Bank 1,218 (3.10%)
British Rail Pension Trustee 1,550 (4.00%)
Framlington Investment Management 1,443 (3.70%)
Schroder Investment Management 1,686 (4.30%)
Mining & Allied Supplies
Imperial Group 1,002 (3.43%)
Robert Fleming 1,224 (4.17%)
Mosaic Investments
Crusader Insurance 493 (3.10%)
Mountview Estates
Barclays Bank 140 (3.08%)
Mowlem (John)
National Westminster Bank - (3.06%)
Sun Life Assurance Society - (3.19%)
Murray Smaller Markets Trust
Barclays Bank 1,868 (3.58%)
Murray Ventures
Colonial Mutual Life Assurance Society 986 (4.02%)
London & Manchester Group 890 (3.89%)
Murray Enterprise
Pearl Group 245 (4.08%)
Murray Smaller Markets Trust
Barclays Bank 1,868 (3.58%)
Sun Life 3,367 (-%)
MMW Computers
Barclays Bank 856 (4.20%)
Britannic Assurance 925 (4.50%)
Postel Investment Management 720 (3.50%)
Prudential Insurance 947 (4.60%)
TR Technology 965 (4.70%)
Neepsend
Barclays Bank 537 (3.49%)
Nesco Investments
Mars UK Pension Fund 318 (4.72%)
Nestor-BNA
3i Group 3,119 (4.32%)
Framlington Group 2,849 (3.94%)
New Throgmorton Trust
Co-operative Insurance Society 1,400 (-%)
Colonial Mutual 1,450 (-%)
Invesco MIM 1,270 (-%)
London & Manchester Group 1,216 (-%)
Midland Group 1,723 (-%)
Sun Life Assurance 1,400 (-%)
Norcross Group
Colonial Mutual 2,365 (3.40%)
Northern Foods
Invesco MIM 7,144 (3.21%)
Prudential Corporation 7,144 (3.21%)
Oceana Consolidated
Mars Security 398 (4.66%)
Omnitech
Commercial Union 578 (3.07%)
Optometrics Corporation
Mrs Denice Ann Beeven 500 (4.66%)
Overseas Investment Trust
Colonial Mutual Life Assurance 1,200 (3.21%)
[illegible]
Postel Investment Management 482 (3.13%)
PCT Group
British Steel 160 (3.60%)
Laurence Douglas Grainger 138 (3.10%)
Paradise
Framlington Group 223 (3.40%)
Park Food Group
SWD Securities 481 (4.38%)
London Life 311 (3.02%)
TR Trustees Corporation 500 (4.86%)
The Johnson Foundation 558 (5.08%)
Phoenix Timber Group
Scottish Mutual Assurance 801 (3.80%)
Platon International
Mars Security 250 (4.96%)
Mr & Mrs DA Platon 216 (3.34%)
Plysu
Phillips & Drew Fund Management 1,949 (4.50%)
Porter Chadburn
National Westminster Bank 1,845 (3.16%)
Postel Investment Management 1,780 (3.06%)
Prolific Asset Management 3,886 (6.63%)
Royal Bank of Scotland 2,364 (4.04%)
Powerscreen International
BAT Industries 2,497 (3.29%)
Gartmore Investment Management 2,360 (3.10%)
Phillips & Drew Fund Management 2,414 (3.17%)
Precious Metals Trust
National Provident Institution 400 (3.33%)
Pressac Holdings
British Gas Pension Funds Management 825 (3.92%)
Property Security Investment Trust
Postel 3,076 (3.08%)
QS Holdings
Norwich Union Life Insurance 1,560 (3.94%)
Quiligotti
Miss Anita Josephine Quiligotti 1,266 (4.43%)
Miss Maria Angela Quiligotti 1,360 (4.69%)
Mr EE Quiligotti 1,008 (3.47%)
RKP Group
Robert Fleming Holdings 2,114 (4.09%)
Reed International
Robert Fleming Holdings 17,408 (3.14%)
Refuge Group
John Govett - (3.07%)
Regal Hotel Group
Framlington Group 855 (3.31%)
Kleinwort Benson Investment Management 342 (3.30%)
Richards
Barclays Bank 220 (3.33%)
Miss AM Cockburn 2 (4.19%)
Richmond Oil & Gas
TSB Group 2,795 (4.80%)
River & Mercantile
National Provident Institution 1,290 (4.14%)
River & Mercantile Trust
Dartmoor Investment Trust 2,000 (3.31%)
Robertson Group
Framlington Group 1,149 (3.37%)
Kleinwort Benson Investment Management 1,147 (3.38%)
Schroder Investment Management 1,026 (3.01%)
Sun Alliance 1,173 (3.44%)
Sun Life 1,109 (3.25%)
Rock
Mars Security 608 (4.86%)
Rockware Group
Mr K A Bolam 7,200 (4.04%)
Rolfe & Nolan Computer Services
Mars UK Pension Fund - (4.75%)
Norwich Union Life Insurance 85 (3.17%)
Royal Bank of Scotland
Provident Mutual 23,835 (3.17%)
STC
Norwich Union 23,855 (-%)
Prudential Corporation - (3.02%)
Saatchi & Saatchi
Tweedy, Browne of New York 6,851 (4.06%)
Sanderson Murray & Elder (Holdings)
Mars Security 94,050 (4.96%)
Savills
National Farmers Union Mutual Insurance Socty1,075 (3.03%)
[illegible]
Phillips & Drew - (3.48%)
Scottish American Investment
Barclays Bank 9,067 (4.03%)
Scottish Mortgage & Trust
Schroders 16,375 (4.26%)
Standard Life 13,855 (3.79%)
Secure Trust Group
Framlington Group 614 (4.30%)
Martin Currie Investment 527 (3.70%)
Shandwick
Standard Life Assurance 2,940 (-%)
Shanks & McEwan
Standard Life Assurance 700 (-%)
Sherwood Group
Standard Life Assurance 1,509 (4.25%)
Shield Group
Mars Security 490 (5.08%)
Southern Water
British Rail 5,597 (3.42%)
Sovereign Oil & Gas
Canper Holdings 2,540 (4.59%)
Spandex
Rolls Royce Pension Fund 338 (3.40%)
Specialeyes
Bank of Scotland 833 (-%)
Speyhawk
NCC Fastighater AB 1,295 (4.99%)
Sphere Investment Trust
Dartmoor Investment Trust 4,250 (3.81%)
H J H Gillam 3,700 (3.49%)
Sun Alliance Investment Management 4,254 (3.81%)
Standard Chartered
Schroder 8,508 (3.64%)
Storehouse
British Coal Pension Funds 612 (-%)
Storagard
National Westminster Bank 1,023 (3.22%)
Strata Investments
Whitbread Pension Trustees 475 (3.12%)
Summer International
Kleinwort Benson 250 (2.60%)
Mars Security 347 (-%)
Sun Alliance
Church 390 (3.82%)
[illegible]
Globe Investment Trust 246 (4.65%)
L A Franklin 209 (3.95%)
T & N
Norwich Union Fund Managers 13,349 (4.69%)
T R Property Investment Trust
Co-operative Insurance 9,000 (3.47%)
London & Manchester Group 12,880 (4.97%)
Standard Life 10,470 (4.04%)
Sun Life Assurance 11,699 (4.51%)
TI Group
Eagle Star, Allied Dunbar & Dunbar Trust 5,609 (3.65%)
Robert Fleming Holdings 4,786 (3.02%)
TIP Europe
Prudential 3,106 (3.52%)
TLS Range
Eagle Pension Funds 585 (3.46%)
Invesco MIM 530 (3.12%)
TR Property Investment Trust
Co-operative Insurance Society 9,000 (3.47%)
London & Manchester Group 12,880 (4.97%)
Standard Life Assurance 10,470 (4.04%)
Sun Life Assurance 11,699 (4.51%)
TSB Group
Precious Metals Trust 545 (4.84%)
TT Group
Norwich Union Fund Managers 1,956 (3.97%)
Sun Life Investment Management Services 2,234 (4.60%)
Universities Superannuation Scheme 2,400 (4.94%)
Tate & Lyle
Barclays Bank 12,178 (3.79%)
Taylor Woodrow
Government of Kuwait 10,780 (3.98%)
Technology Project Services
Reckitt & Colman Pension Fund 218 (4.36%)
Templeton Emerging Markets Investment Trust
National Provident 1,869 (-%)
Thorn EMI
British Coal Pension Funds 8,487 (-%)
British Investment Trust 500 (-%)
Carreras Pension Fund 875 (4.03%)
Norwich Union 9,002 (3.11%)
Tie Rack
Samuel Montagu 1,351 (3.86%)
Tinsley (Eliza) Group
Mrs Margaret Ann Eddy 202 (4.20%)
Tops Estates
Phillips & Drew 1,460 (3.18%)
Trade Indemnity Group
General Accident 5,350 (4.89%)
Trafford Park Estates
Refuge Group 2,620 (3.77%)
Transport Development Group
Britannic Assurance 4,960 (3.41%)
Trust
[illegible] 370 (2.90%)
Mrs J A Stirling 381 (3.00%)
Ralston Investment Trust 548 (3.70%)
Travian Holdings
British Steel 500 (4.70%)
Jermyn Investments 500 (4.70%)
Tribune Investment Trust
Schroder Investment Management 2,174 (4.24%)
Sun Life Assurance 1,658 (3.09%)
Triplevest
Credit Suisse First Boston 1,185 (4.68%)
UMECO
MGM Assurance 200 (3.59%)
Schroder Investment Management 250 (4.42%)
USDC Investment Trust
Sun Life 1,307 (3.81%)
Sun Life Assurance 1,307 (3.81%)
Unigate
Barclays Bank 8,647 (3.74%)
Usher (Frank) Holdings
GLyn Mills Nominees 325 (4.65%)
Harison Nominees 300 (4.29%)
VTR
Sinclair Henderson 360 (4.71%)
Vernon International
Midland Bank 2,799 (-%)
Postel Investment Management 4,679 (-%)
Vinten Group
F R Group 1,444 (4.10%)
Walker (J C)
Mars UK Pension Fund 40 (4.95%)
Wardle Storeys
Credit Suisse Buckmaster & Moore 585 (3.90%)
Electra Investment Trust 1,050 (4.30%)
Gartmore Investment Management 875 (3.59%)
Phillips & Drew Fund Management 801 (3.28%)
Wate Blake Bearne
Scottish Amicable 675 (3.27%)
Watts Blake Bearne
Scottish Amicable 675 (3.27%)
Waverley Mining Finance
Assicurazioni Generali 600 (4.80%)
Lloyds Investment Managers Nominees 450 (3.60%)
Wembley
BET 5,611 (4.38%)
West Industries
Johnson Matthey 1,500 (3.13%)
Mr Robert Earl 1,482 (3.09%)
Westport
Scottish Mutual UK Smaller Companies Fund 4,636 (3.83%)
Whessoe
G T Management 525 (3.36%)
General Consolidated Investment Trust 550 (3.46%)
Imperial Investments 600 (3.23%)
Scottish Amicable Investment Managers 615 (4.39%)
Framlington 699 (3.49%)
Whessey
Bentley & Family Holding 2,074 (3.02%)
Standard Life 2,145 (3.13%)
Sun Life Assurance Society 2,334 (3.40%)
Whitbread
Whitbread Investment Company 20,690 (4.90%)
Wolfecroft
National Provident Institution 1,202 (3.71%)
Wholesale Fittings
Legal & General Assurance 590 (3.97%)
Wickes
Midland Bank 4,373 (3.46%)
Wiggins Teape Appleton
Prudential Corporation 17,807 (3.60%)
Williams Holdings
Abu Dhabi Investment Authority 11,650 (3.75%)
Prudential Corporation 10,408 (3.39%)
Wimpey (George)
Robert Fleming Holdings - (4.16%)
Witan Investment Trust
British Coal Pension Funds 11,826 (-%)
Wolstenholme Rink
Imperial Group 250 (3.96%)
National Westminster Bank 219 (3.46%)
Scottish Amicable Whitbread (215%) 3.40 257 (4.01%)
Yelverton Investments
C H Bailey 685 (4.63%)
Mars Security 576 (4.84%)
Yorkdyde
M & G Investment Management 333 (-%)
M&G Investment Management 205 (-%)
Young (H) Holdings
Framlington Group 831 (3.95%)
Yale Catto
National Westminster Bank 3,994 (4.80%)

THE POWER OF THOUGHT CAN MOVE MOUNTAINS. WE'RE USING IT TO RESHAPE A COMPANY.

BP

In July 1989 we initiated a fundamental review of the company's structure, procedures and corporate culture to ensure BP's readiness to meet the challenge of the 90's. "Project 1990" involved interviews with staff in every BP business and at all levels. It revealed one overriding complaint – organisational complexity. But it also underlined BP's most basic strengths – the skills, enthusiasm and creativity of its workforce. The result is a carefully considered programme for change which, by cutting complexity and increasing individual accountability, will give free rein to those strengths – and leave BP facing the future in better shape than ever. Now that's something really worth thinking about. Our results for January–March 1990 included an historical cost profit before extraordinary items of £344m (£608m)*. Excluding stock holding gains and losses, replacement cost profit was £361m (£381m)*. Earnings per share were 6.4p (10.3p)* and the first quarter dividend was 3.95p (3.65p)*.

*Comparative figures for the corresponding 1989 period. The contents of this advertisement, for which the Directors of The British Petroleum Company p.l.c. are responsible, have been approved for the purposes of Section 57 of the Financial Services Act 1986 by Ernst & Young, a firm authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business. Past performance is not necessarily a guide to the future.

FT LAW REPORTS

Demurrage survives despite wet sugar delay

THE FORUM CRAFTSMAN
Queen's Bench Division
(Commercial Court):
Mr Justice Hobhouse:
May 25 1990

A CHARTERER'S demurrage liability is not totally eliminated by delay during the demurrage period caused by the shipowners' breach of charter, but is reduced only by the extent of foreseeable delay resulting from that breach. And a Sugar Charterparty 1969 clause excepting liability for delayed discharge caused by government interference does not exclude demurrage liability in the absence of clear words demonstrating that that is the parties' intention.

Mr Justice Hobhouse so held when dismissing an appeal by Islamic Republic of Iran Shipping Lines, charterers of the Forum Craftsman, from an arbitrators' award that a demurrage claim by the shipowners, Ierax Shiping Company of Panama, did not fail for circuity of action.

HIS LORDSHIP said that by a charterparty dated April 22 1984 the Forum Craftsman was chartered to carry a cargo of sugar in bags from Foynes to Bandar Abbas.

The vessel arrived at Bandar Abbas on June 1 1984. She anchored and gave notice of readiness. Due to congestion she remained at anchor awaiting berth. On August 2 the vessel berthed. Charterers' surveyor inspected the cargo and concluded it had been wetted by sea water.

On August 5 discharge had to be stopped due to lack of transport. The following day the vessel was moved to anchorage. She remained there for 79 days, until she reberthed on October 22. There were interruptions. Discharge was not completed until November 11.

The charterers objected to inclusion of the 79 days in their liability for demurrage.

They did not dispute liability from the earlier period before the vessel berthed, and they accepted that the vessel was already on demurrage when she moved off berth on August 6. They accepted the principle "once on demurrage always on demurrage", and that it was for them to show some special reason why they should not be liable for the 79 days.

They sought to do that on the basis of a letter sent on August 4 by the Islamic Ministry of Health instructing customs to stop the unloading because of the sugar contamination, "until necessary investigations are conducted".

There was no direct evidence as to what effect the letter had on customs. The arbitrators accepted that it did have some causative effect in delaying reberthing. It was inferred that the Health Department required investigations into the condition of the cargo before discharge was to resume, but there was no evidence of further action by the Department.

The owners admitted they had been in breach of clause 42 of the charterparty which guaranteed the vessel's seaworthiness. They conceded that an unknown quantity of seawater had entered the vessel.

The charterers contended that the 79 days delay was caused by the owners' breach of clause 42 and that the demurrage claim should fail on the ground of circuity of action. They contended it was foreseeable when the charterparty was made that a vessel arriving at Bandar Abbas with visible cargo damage was likely to be delayed.

The arbitrators found that knowledgeable shipowners would reasonably have foreseen that sugar with signs of wetting would be likely to excite the interest of the inspectorate, and that there would be interruption to cargo work while damage was assessed. They said that given the notorious congestion and semi-war footing on which Bandar Abbas was known to operate, "a delay of say a week would have been the kind of result that would have been realistically anticipated". They allowed seven days interruption of demurrage arising from the owners' breach of clause 42.

On the present appeal the charterers submitted that was an error of law. They submitted it was contrary to the authorities which said that once a kind of loss or damage was within the contemplation of the parties, it did not matter that it exceeded in degree what they might have foreseen.

The arbitrators appeared to have considered, as was fully justified on the other findings of fact they made, that there were other factors causing the delay. The charterers had failed to discharge the burden of proof which lay on them to establish the causal relationship between the owners' admitted breach and 79 days delay, save for about seven days of that period. They failed to prove what was necessary to establish their defence of circuity of action.

Remoteness of damage in contract cases was not to be decided on an all or nothing basis. The contemplation that some loss of profit might result from a breach of contract did not require that all profits lost must necessarily be recoverable.

Liability in damages for breach of contract was a contractually assumed liability. The first and second rules in *Hadley v Baxendale (1854) 9 Ex 341* limited the extent of that liability, having regard to what was or must be taken to have been in the contemplation of the contracting parties when they made the contract, and to the natural and probable consequences of a breach of contract.

The arbitrators were clearly of the opinion that the extreme delay which occurred arose from matters outside the parties' contemplation as possible consequences of the owners' breach. They had not made any error of law. That ground of criticism of their award failed.

The other attack which the charterers made on the award arose from clause 28 of the charterparty, which was one of the printed clauses in the Sugar Charterparty 1969 form revised in 1977.

Clause 28 read: "... stoppages ... or any other ... causes including government interferences, occurring beyond the control of the shippers or consignees, which may prevent or delay ... discharging ... always excepted".

At the arbitration the charterers submitted the 79 days delay was caused by government interference beyond the control of the consignees, and that clause 28 excluded their demurrage liability for such delay.

The arbitrators rejected the submission. They said clause 28 operated only on the running of laytime, not on accrual of demurrage. Accordingly, they held that once the vessel was on demurrage, clause 28 could provide charterers with no defence to a claim to further demurrage.

How the dispute under the clause was to be decided depended on the true construction of the clause in the context of the charterparty, having regard to established principles governing the construction of such clauses in relation to demurrage claims.

The other provisions of the charterparty, printed and typewritten, showed that clause 28 did not stand on its own. There were specific provisions providing when time was to count or not to count, and there was an exception from liability which expressly included exception from demurrage liability.

The parties in entering into the charterparty had shown a consciousness of the distinction between laytime exceptions and exceptions which also affected demurrage liability. They had nevertheless expressed clause 28 in general and unqualified terms, and had not expressly referred to demurrage liability.

Liability in demurrage was a liability for liquidated damages for breach of contract. The breach was the failure to discharge or load within laytime. Once laytime was exceeded there was a breach. A clause operating at that time might exclude or limit demurrage liability, or it might suspend the continuing obligation to discharge, and therefore, *pro tanto*, suspend the breach which would otherwise have given rise to the obligation to pay demurrage.

Those types of clauses, whether excusing breaches, relieving *prima facie* obligation, or simply excluding or reducing liability in liquidated damages, all had the character of exclusion or exceptions clauses and must be clearly expressed if they were to have that effect. Unclear or ambiguous clauses would be ineffective for that purpose.

That was an application of the ordinary rules of contractual construction governing such clauses. They must be clearly worded.

The subject matter of clause 28 was causes which might prevent or delay loading or discharging. Its application could include a demurrage period, because there was still a continuing obligation to discharge during that period. But it also had a wider application. It covered cases of prevention as well as delay. It covered damages for failure to load, or for detention.

The clause did not make it clear that it was intended to exclude demurrage liability. It could have done so in express terms. The parties had left their intentions in doubt.

The case was in substance indistinguishable from *The Kalliope A [1988] 2 Lloyd's Rep 101*.

There the charterparty was more confused but the actual clause was very similar. Certain perils which might "prevent loading and discharge" were "always mutually excepted". The Court of Appeal held that was not sufficiently clear.

In the light of *Kalliope* it would be over-subtle to hold that a clause that used the expression "always excepted" was clear enough.

On clause 28 as well the charterers failed to show that the arbitrators made any error of law. The appeal was dismissed.

For the shipowners: David Milldon (Bentleys Stokes & Lowless).
For the charterers: Angus Glennie (Lovell White Durrant).

Rachel Davies
Barrister

Yukong Limited

(the "Company")
(a company incorporated with limited liability in the Republic of Korea)

Notice of a further Adjourned Meeting

of the holders of the

U.S. $20,000,000 3 per cent. Convertible Bonds due 2001

of the Company
(the "Bondholders" and the "Bonds" respectively).

NOTICE IS HEREBY GIVEN that the Adjourned Meeting of the Bondholders (the "first Adjourned Meeting") convened by Bankers Trustee Company Limited (the "Trustee") for Wednesday, 23rd May, 1990 by the notice dated 11th May, 1990 published in the Financial Times and the Luxemburger Wort (the "first Adjourned Notice") was adjourned through lack of a quorum and that a further Adjourned Meeting of the Bondholders will be held at 1 Appold Street, Broadgate, London EC2A 2HE, England on Wednesday, 20th June, 1990 at 10.00 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 15th July, 1986 (the "Trust Deed") made between the Company and the Trustee as trustee for the Bondholders:

EXTRAORDINARY RESOLUTION

"THAT this Meeting of the holders (the "Bondholders") of the outstanding U.S.$20,000,000 3 per cent. Convertible Bonds due 2001 of Yukong Limited (the "Bonds" and the "Company" respectively) constituted by a Trust Deed dated 15th July, 1986 (the "Trust Deed") made between the Company and Bankers Trustee Company Limited (the "Trustee") as trustee for the Bondholders hereby:

(1) sanctions the Proposal (as described in the Notice convening this Meeting) and its implementation and the modification of the provisions of the Conditions of the Bonds and the Trust Deed and of the rights of the Bondholders thereby involved; and

(2) authorises and requests the Trustee to concur in and to execute a supplemental trust deed in the form or substantially in the form of the draft produced to this Meeting and signed by the Chairman for identification, with such, if any, amendments thereto as the Trustee may require, and to execute and do all such other documents, acts and things as may be necessary to give effect to the Proposal and this resolution.".

THE PROPOSAL

The Proposal is that the pre-condition for the exercise of the conversion rights described in the first paragraph of "Background to the Proposal" in the notice of the original Meeting of the Bondholders dated 20th March, 1990 published in the Financial Times and the Luxemburger Wort (the "Original Notice"), which requires the notice by Goldman Sachs International Limited ("Goldman Sachs", formerly called Goldman Sachs International Corp.) therein referred to, should be deleted from the Conditions of the Bonds.

The attention of Bondholders is drawn to the Original Notice, which contains information regarding both the background to, and consequences of implementation of, the Proposal, and to the letters, both dated 14th March, 1990, from Kim & Chang and Goldman Sachs respectively to the Trustee referred to therein, all of which are available for inspection by Bondholders as indicated below, and the Trustee recommends inspection.

In accordance with normal practice, the Trustee expresses no opinion on the merits of the Proposal.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Bondholders during normal business hours at the specified offices of the Paying Agents listed below up to and including the date of the further Adjourned Meeting and at the further Adjourned Meeting:

(i) the Offering Circular dated 8th July, 1986 relating to the issue of the Bonds;
(ii) the Trust Deed;
(iii) translations into English and the Korean texts of the announcement made by the Ministry of Finance of Korea in December, 1987, the official summary of the announcement made in December, 1988 and the 1989 Regulation (as defined in the Original Notice), as amended;
(iv) the letters, both dated 14th March, 1990, from Kim & Chang and Goldman Sachs respectively to the Trustee referred to in the Original Notice;
(v) a subsequent letter from Kim & Chang to the Trustee describing certain changes in Korean taxation since 14th March, 1990;
(vi) a draft (subject to modification) of the supplemental trust deed referred to in the Original Notice;
(vii) the Original Notice, and
(viii) the first Adjourned Notice.

VOTING AND QUORUM

1. A person wishing to attend and vote at the further Adjourned Meeting in person must produce at the further Adjourned Meeting either a Bond or a valid voting certificate issued by a Paying Agent or must be a proxy under a block voting instruction validly issued and deposited by a Paying Agent.
A holder of Bonds not wishing to attend and vote at the further Adjourned Meeting in person may either deliver his Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified offices of the Paying Agents set out below) instructing a Paying Agent to appoint a proxy under a block voting instruction to attend and vote at the further Adjourned Meeting in accordance with his instructions.
For the purpose of obtaining voting certificates or giving voting instructions to proxies in respect of the further Adjourned Meeting, Bonds may be deposited with any Paying Agent or (to the satisfaction of such Paying Agent) held to its order or under its control with CEDEL or the Operator of the Euroclear System or any other person until 48 hours before the time for which the further Adjourned Meeting has been convened but not thereafter.

2. Voting certificates issued and voting instructions given and the appointment of proxies for the Original Meeting and/or the first Adjourned Meeting will be valid for the further Adjourned Meeting unless they are, in the case of voting certificates, surrendered or, in the case of voting instructions and forms of proxy, revoked or amended in accordance with the provisions of the Trust Deed.

3. The quorum required at any Adjourned Meeting is two or more persons present holding Bonds or voting certificates or being proxies and being or representing in the aggregate the holders of over 33 per cent. in principal amount of the Bonds for the time being outstanding. At the first Adjourned Meeting, proxies representing in the aggregate the holders of 22.9 per cent. in principal amount of the outstanding Bonds were present.
Bondholders should note the high quorum requirement and should be aware that if the Bondholders either present or appropriately represented at the further Adjourned Meeting are insufficient to form a quorum, the Extraordinary Resolution, and consequently the Proposal, cannot be formally considered thereat. In this event, Bondholders would not have a further opportunity to consider the Extraordinary Resolution since no third adjournment is contemplated, but it would be for consideration by the Company and the Trustee as to alternative means, if any, by which the proposed modification might be effected.

4. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the votes cast thereon. If passed, the Extraordinary Resolution will be binding upon all the Bondholders, whether or not present at such further Adjourned Meeting and whether or not voting, and upon all holders of interest coupons appertaining to the Bonds.

PRINCIPAL PAYING AGENT
Bankers Trust Company, 1 Appold Street, Broadgate, London EC2A 2HE.

OTHER PAYING AGENTS
Swiss Bank Corporation, Aeschenvorstadt 1, CH-4002 Basle.
Banque Internationale à Luxembourg S.A., 69 Route d'Esch, L-1470 Luxembourg.
Banque Indosuez Belgique, rue des Colonies 40, B-1000 Brussels.
Bankers Trust Company, 2601-2606 Shell Tower, 50 Raffles Place, Singapore 0104.

This notice is given by Bankers Trustee Company Limited, a member of IMRO.

Dated 8th June 1990

Nervous market in gold close to four-year low

By Kenneth Gooding, Mining Correspondent

GLOOM DEEPENED among the world's gold producers yesterday as the price of the precious metal fell steeply again, at one stage reaching its lowest level for nearly four years.

At one time in Zurich gold bullion fell to $351 a troy ounce. In the afternoon in London it was "fixed" at $352.80 – the lowest price since July 30, 1986 – before recovering a little to close at $353.25, down $4 an ounce from Wednesday's closing price.

Traders said there was "solid support" for the metal yesterday at $352 an ounce, but many analysts were predicting that, although the price might recover briefly, it would then head downwards again.

In London, Mr Edwin Arnold, a vice president of the Merrill Lynch International financial services group, suggested gold might reach $340 to $335 an ounce before recovering. "Physical demand for gold is absolutely lousy," he added. "In the next four or five trading days someone will have a go and push it lower."

Fears about sales of bullion by the Soviet Union, lower oil prices and bearish signs from the charts all contributed to the depressed mood yesterday.

There was some surprise that the jewellery industry, which accounts for about half of all gold consumption, has not been rushing to pick up bargains.

However, Mr Arnold suggested that jewellers' gold stocks were high while retail sales in the important US market were sluggish.

He said there was possibly as much as 200 tonnes of gold in jewellers' stocks in western Europe and the Middle East.

The gold market has been particularly depressed and nervous since March 26, when Saudi Arabian sellers dumped a huge quantity of physical gold in London. Selling from the same source on May 23 knocked the gold price down even further.

Some analysts link these gold sales with Saudi Arabia's announcement this week that it was cutting its oil prices. Lower oil prices ease inflationary pressures and this, in turn, is not positive for the gold price.

The collapse in gold's price yesterday dragged down other precious metals with it. Platinum fell by $8.50 an ounce to $483, while silver eased by 7 cents an ounce to $5.01.

● By contrast with other precious metals, rhodium, yesterday surged to a record price range in the European free market of $2,580-$2,640 an ounce, up $60 from a week ago.

Consumers rushed to buy after Johnson Matthey, the UK refining and marketing group, lifted its list price for unfabricated rhodium to $2,600 an ounce.

Traders suggest that demand for rhodium, a platinum group metal used predominantly in automotive catalysts, had now outpaced the market's ability to supply because of teething problems at the Rustenburg company's new precious metals refinery in Bophuthatswana, South Africa, at the end of last year. That difficulty seriously reduced expected output.

Before Rustenburg admitted its problems early in December, rhodium had been trading for most of 1989 at between $1,250 and $1,400 an ounce.

Mexico plans to privatise state mining concerns

MEXICO, the world's biggest producer of silver, has announced a programme to boost mining production by privatising government-owned mining companies and revamping mining regulations, reports Reuters from Mexico City.

The five-year National Mining Modernisation Programme is aimed at increasing growth in the mining sector from about 2 per cent a year in 1988 to 5 per cent a year by 1994.

The Ministry of Energy and Mines plan stresses the need for greater domestic and foreign investment in the mining industry, but does not say how restrictions on foreign participation in the sector would be altered.

Its target is to privatise at least half the country's state-owned mineral reserves during the next five years.

Mexico's mining industry has been hit in recent years by falling international prices for metals and flagging investment.

Plans to privatise Cananea, Mexico's oldest and largest copper mine, were announced in April 1988. However, the government is still looking for a buyer.

"Investment in mining has been low and has dropped in real terms against rapidly increasing costs," said Mr Fernando Hiriart, Minister for Energy and Mining, when he announced the plan.

Bigger world harvest forecast

By Richard Mooney

THE INTERNATIONAL Wheat Council has raised its forecast of the 1990-91 world grain crop to 1.398bn tonnes, 10m tonnes above the level it was forecasting five weeks ago. Wheat accounted for 8m tonnes of the rise, reaching a forecast 565m tonnes, with the coarse grains figure rising 2m tonnes to 833m tonnes.

In the latest issue of its market report, published yesterday, the council said the main reason for the sharp rise forecast in the wheat crop, estimated to have reached 535m tonnes in 1989-90, was a very large winter crop the US and a recovery of output in near-east Asia. It put 1990-91 US wheat output at 73m tonnes, up from the 67m tonnes forecast in its end-April report and 55.4m tonnes estimated for 1989-90.

With consumption growth projected at about 2.2 per cent, including a higher allowance for feed use, IWC expects only a modest recovery in world wheat stocks during 1990-91. It suggests that the closing level will be about 106m tonnes, up by 7m tonnes from this year.

The US was also the key to the rise forecast in production of coarse grains. The council raised its 1990 forecast for that country to 235.9m tonnes from the 232.9m tonnes predicted five weeks ago. For 1989-90 it estimated US coarse grains production at 221.4m tonnes.

Although export shipments of coarse grain are expected to decline in 1990-91, overall consumption is projected to rise by 7m tonnes to 845m tonnes. Nevertheless, that would result in a considerable slowing in the recent sharp decline in stocks, which had halved over the preceding three years. IWC forecasts ending stocks for 1990-91 at 116m tonnes against 121m tonnes this year.

The council predicted that Soviet grain production would show a modest increase in 1990-91, from 211.1m tonnes to 215m tonnes. However, it noted that the key to next year's volume of Soviet grain imports would be the level of state procurements.

"In 1989 these had fallen for the third successive year," the report said, "despite an improvement in the size of the harvest. Wheat procurement prices have been raised by an average of 85 per cent but in order to stabilise the cost of livestock production, prices of compound feeds will remain the same."

The IWC predicts "tentatively" that Soviet imports of grains will again be substantial at about 35m tonnes in 1990-91 after rising to 38.5m tonnes in the year to the end of this month. The 1990-91 total is expected consist of about 14m tonnes of wheat and 21m tonnes of coarse grains.

IWC Market Report. IWC, 28 Haymarket, London SW1Y 4SS. Price £60.00.

WORLD GRAIN ESTIMATES (million tonnes)

	1990-91 (forecast)	1989-90 (estimated)	1988-89	1987-88
WHEAT				
Production	565	535	504	511
Consumption	557	545	535	539
Stocks	106	99	106	134
COARSE GRAINS				
Production	833	806	723	797
Consumption	845	838	799	823
Stocks	116	121	148	216

Source: International Wheat Council

Australian grain output estimate cut

AUSTRALIAN WHEAT Forecasters expects the country's 1990-91 wheat harvest to total 14.85m tonnes, 150,000 tonnes below the International Wheat Council's forecast, Reuters reports from Melbourne.

This was the private forecasting agency's third estimate of the Australian crop. The second, issued last month by AWF, put it at 15.4m tonnes and compared with output of 14.31m tonnes in 1989-90.

AWF said the area sown to wheat would total 9.65m hectares in 1990-91. In its second forecast it estimated the area sown at 9.95m hectares. The 1989/90 area was 9.22m ha.

There was now no shortage of soil moisture in any Queensland grain growing area, AWF said. About 80 per cent of central Queensland's wheat area had been sown.

The agency estimated the area to be sown in Queensland at 1.05m hectares against 1.10m in the second forecast and 905,000 ha in 1989-90.

Most of the 2.50m hectares to be sown in New South Wales, unchanged from the second forecast, were completed and yield prospects were excellent. New South Wales sowed 2.23m ha last year.

Danes starting joint abattoir enterprise

By Hilary Barnes in Copenhagen

SIX OF Denmark's co-operative slaughterhouse groups have agreed to set up a new company, with a turnover of about Dkr6bn (£554m) and over 4,000 employees, bringing together 11 plants for processed meat and sales companies in several countries, including the UK, Japan and the USA.

The move is intended to strengthen Denmark in its competition for European and other markets. Danes claim it will be among the top 20 companies in this field worldwide.

The new company – to be known as Tulip International – will completely dominate the sale of Danish bacon and other processed meat products in the UK, incorporating among other plants the Danepak bacon factory at Thetford, owned by ESS-Food, the export marketing organisation for several Danish slaughterhouses.

Production and marketing of fresh and frozen products will not be affected by the merger.

The new company will have a starting equity capital of Dkr1.4bn, of which Dkr625m will be contributed by Danish institutions, including Hafnia and Unibank. Introduction of external equity capital into the co-operative sector is a new departure for the Danish meat processors.

Tulip – the largest of the Danish co-operative slaughterhouse groups – and the six slaughterhouses behind ESS-Food, including Steff Houlberg and Royal Dane Quality, have been negotiating for months to establish the new group.

The deal they have now reached still has to be approved by the competent assemblies of the co-operatives, but – barring unforeseen accidents – the company is expected to become a reality by the end of this month.

Plants involved in the merger will include two Tulip bacon factories in Denmark, with a capacity of 19,000 tonnes a year and the Thetford plant with capacity of 43,000 tonnes. Also, Danish forced meat factories with total capacity of 86,000 tonnes; the ham curing plants of Denmark, with a capacity of over 75,000 tonnes; and Royal Dane's ham factory in Wellingborough, Northants, ESS-Food's ham-slicing plant in Manchester; and Heinrich Schaechter Schinkenraucherei, a recently-acquired ham curer in West Germany.

Green brigade charge against Florida sugar growers

Henry Hamman says many charges are being thrown at farmers who provide 20% of US requirements

FLORIDA'S SUGAR industry has long been the target of nutritionists, who say people should eat less refined sugar. The industry has also drawn criticism for its seasonal importation of cane cutters from Haiti. In Washington, the anti-sugar lobby continues its efforts to cut US federal price support and import quotas.

Now the industry is being blamed for the degradation of south Florida's Everglades wetlands.

The case against sugar is similar to that made elsewhere against agricultural activities: that water run-off from farming land becomes laden with organic nutrients such as nitrogen and phosphorus.

These nutrients promote the growth of algae, which depletes oxygen in the water harming other aquatic life. In the case of south Florida, it is argued, the increased nutrient level has allowed cat's-tails to drive out sawgrass in areas that form the approaches to the Everglades National Park.

The end result, environmentalists argue, is to break the food chain upon which some of the Everglades species of animals depend. Advocates of the sugar industry argue that the effects of the run-off can be overcome. Yet sugar cane growers – long known for their political clout – have a difficult task in these ecologically-sensitive days.

The cane is grown on about 400,000 acres of rich organic soil, so dark it looks like asphalt. Those acres yield more than 20 per cent of the total US sugar production.

In 1988 – the most recent year for which figures are available – the value of raw cane (before processing) was in excess of $416m. The industry is said to provide about 18,000 full-time jobs, not counting seasonal workers.

The sugar industry has traditionally relied on economic arguments to win support. However, the argument for sugar has become less compelling as south Florida's economy has become increasingly less dependent on agriculture.

One sign of the changed priorities is a lawsuit filed last year by the US Attorney for South Florida. The goal of that suit – which does not name the sugar industry – is to force the state agency which regulates water for sugar growers to clean up the supply that flows through the cane fields and down to the Everglades.

The water agency – the South Florida Water Management District – has now counter-sued the US Army Corps of Engineers. The corps designed and built much of the water management system, without which large parts the region would be flooded during periods of the year.

As an engineering feat, the water management system is impressive. Canals criss-cross the state. The largest single feature of the system is the levee that marks the southern boundary of Lake Okeechobee, a fresh water reservoir which covers 725 square miles.

FLORIDA SUGAR

	Output (short tons)
1988-89	1.54m
1987-88	1.46m
1986-87	1.45m
1985-86	1.35m
1984-85	1.39m
1983-84	1.20m
1982-83	1.28m
1981-82	0.95m
1980-81	1.10m
1979-80	1.08m

The district argued that the Corps of Engineers controlled the water pumping network and was therefore responsible for any environmental damage. In addition to suing the corps, the district has also proposed that the sugar industry should finance a $50m test project to clean the run-off water by passing it through a 14,000-acre, artificially-created marsh.

The sugar industry is reluctant to spend the money, arguing that the method is unlikely to remove enough nutrients to satisfy environmental concerns.

Adding to the controversy is the lack of firm research data. Both agricultural interests and some academic researchers say the admitted troubles with the Everglades ecosystem could stem from causes other than sugar cultivation.

Dr Forrest Izuno leads a team from the University of Florida studying water management for the area. He said the sense of urgency to protect the Everglades was pushing events faster than research.

"Nobody thinks we've got enough time to get the science done . . . Everybody is yelling 'do something, do something.' But nobody knows what to do," he said.

Dr Izuno said that no matter what crops were grown in the rich soil, run-off water would absorb nutrients because the soil itself produced them as it decomposed. The whole region, he added, was really a gigantic compost heap.

Were the sugar producers to be forced out by litigation, legislation, or a loss of government protection, the entire agricultural industry, which also includes extensive market gardening, would vanish, Dr Izuno cautioned.

A further complicating factor is that the water that allows sugar cane farming also supplies the south Florida metropolitan region along the Atlantic coast.

Urban dwellers there already live under seasonal water restrictions and as the population grows competition for water will increase.

Dr Izuno argues that decisions will have to be made about the relative importance of ecological and environmental concerns and the needs of south Florida's human population.

"We have our needs and they're different than those of a bird, a snail or an alligator," he said.

The sugar industry is not just waiting for an eviction notice while the battle is fought in the courts. The industry's trade association – the Florida Sugar Cane League – has its headquarters in Clewiston, a sleepy town nestled against the southern flank of Lake Okeechobee.

Other than sugar, the town's only important industry is catering to bass fishermen.

Mr Ed Barber, the Sugar Cane League's vice-president for environmental relations, said he believed the industry had become an example for environmentalists of their conviction that in the drive to clean up the US, agriculture had been given a free ride.

Mr Barber agreed that the industry has felt under siege since the filing of the federal lawsuit. He said there was a feeling that the push against sugar was part of a wider move against agriculture in areas adjacent to environmentally sensitive areas. "We would not be the last to fall," he commented.

However, he did acknowledge that political realities were at least as important as scientific issues.

In the end, he said, urban demand for water will win out over both agriculture and the Everglades wetlands. "There are millions of people down there and they will be heard," he conceded.

Unlike Dr Izuno, who has doubts about the possibility of finding a solution, Mr Barber views the problem as one of control, susceptible to management. The league has a five-year research programme, now in its second year, which he believes will lead to management solutions.

"This is a fixable problem environmentally – no doubt in my mind," he said. "We can fix it without eliminating large areas of sugar; and we can afford to fix it." Yet he added: "Whether we can fix it politically, I don't know."

WORLD COMMODITIES PRICES

MARKET REPORT

ZINC prices continued to decline on the London Metal Exchange yesterday with the cash position closing $25 down at $1,687.50 a tonne, following Wednesday's $50 fall. Dealers said successive bouts of stop-loss selling had been triggered during the day when the three months price broke below $1,650 and $1,620 a tonne. The forward price closed at $1,627 a tonne. Market sentiment had been undermined recently by slack consumer demand, which had been reflected in a gradual decline in the cash premium over three months metal from $80 a tonne at the beginning of the week to $55 a tonne yesterday. The cash aluminium price dipped back below the $1,600 a tonne mark with an $18 fall to $1,593 a tonne. Dealers blamed the decline on deteriorating sentiment reflecting a general downturn in base metals prices, together with lack of consumer buying interest. At the London Futures and Options Exchange the cocoa market continued to be volatile as traders tried to find a level following the recent setback and subsequent rally. The September price moved close to Tuesday's £834-a-tonne low early in the day before rallying to close little changed at £872 a tonne.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$13.50-3.60q	+0.10
Brent Blend	$15.85-5.90q	+0.20
W.T.I. (1 pm est)	$17.17-7.19q	+.415

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$219-221	+4
Gas Oil	$143-144	+1.5
Heavy Fuel Oil	$50-52	
Naphtha	$143-145	+2

Petroleum Argus Estimates

Other		+ or -
Gold (per troy oz)♣	$353.25	-4.0
Silver (per troy oz)♣	501c	-7
Platinum (per troy oz)	$483.0	-8.5
Palladium (per troy oz)	$117.0	-1.9
Aluminium (free market)	$1585	-25
Copper (US Producer)	120.5c	
Lead (US Producer)	45c	
Nickel (free market)	365c	-5
Tin (Kuala Lumpur market)	16.66r	+0.02
Tin (New York)	294c	
Zinc (US Prime Western)	$87\frac{1}{2}$c	
Cattle (live weight)†	109.00p	0.90*
Sheep (dead weight)†	171.86p	-5.40*
Pigs (live weight)†	106.72p	-5.77*
London daily sugar (raw)	$331.1v	+4.5
London daily sugar (white)	$421.0v	+3.0
Tate and Lyle export price	£310.0	+3.0
Barley (English feed)	£120.5u	+0.5
Maize (US No. 3 yellow)	£145.5	-0.5
Wheat (US Dark Northern)	£124.5	
Rubber (Jul)♥	55.25p	
Rubber (Aug)♥	55.75p	
Rubber (KL RSS No 1 Jun)	229.0m	-1.0
Coconut oil (Philippines)§	$335v	
Palm Oil (Malaysian)§	$275	
Copra (Philippines)§	$225	-5
Soyabeans (US)	£157.5z	
Cotton "A" index	90.70c	
Wooltops (64s Super)	535p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Jul. t-May/Jul. u-Oct/Dec. v-Jun/Jul. w-Jun. z-Jul/Aug. y-Sep. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
Aug	304.00	305.00	307.60	303.00
Oct	299.40	301.80	303.40	298.00
Dec	299.00	295.00	300.00	295.00
Mar	283.80	283.40	287.80	283.00
May	283.20	285.00	285.00	283.00
Aug	282.20	281.20	284.60	281.60
Oct	279.60	277.00	282.40	282.40
White	**Close**	**Previous**	**High/Low**	
Aug	412.0	414.0	415.0	411.5
Oct	376.0	375.0	379.0	375.5
Dec	368.5	369.5	371.5	368.5
Mar	363.0	361.5	366.0	362.0
May	362.0	360.5	364.0	360.5
Aug	361.0		363.0	358.5

Turnover: Raw 2736 (3433) lots of 50 tonnes. White 1258 (905).
Paris- White (FFr per tonne): Aug 2060, Oct 2160, Dec 2135, Mar 2111, May 2110

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low	
Jul	15.78	15.77	15.97	15.77
Aug	16.30	16.20	16.45	16.25
Sep	16.70	16.70	16.83	16.69
IPE Index	15.52	15.71		

Turnover 8411 (5550)

GAS OIL – IPE ($/tonne)

	Latest	Previous	High/Low	
Jun	144.25	142.50	144.75	142.50
Jul	142.25	141.50	143.25	141.75
Aug	144.00	143.00	144.75	143.25
Sep	146.50	146.00	147.50	146.00
Oct	150.00	149.50	151.00	149.50
Nov	152.50	152.00	153.00	152.00
Dec	154.50	153.75	154.75	154.00
Jan	154.50	152.75	154.25	153.50
Feb	151.50	151.00	152.75	152.00

Turnover 10101 (13769) lots of 100 tonnes

FRUIT AND VEGETABLES

THERE IS an abundance of juicy oranges available at 8-32p each (8-32p), lemons at 8-18p (8-18p) and kiwifruit at 12-30p (12-25p) all packed with vitamin C, reports FFVIB. The soft fruit season is now underway with strawberries at 35-65p a half pound (35-65p). Cauliflower is excellent value at 29-70p each (30-70p), along with carrots at 32-47p a lb (30-47p), spinach at 50-65p a lb (50-95p) and new English potatoes at 25-45p (35-45p). English broad beans are now in season at 30-50p a lb (70-80p). Spring onions at 20-32p a bunch (20-32p) and celery at 40-70p a head (40-70p) are excellent value and add an extra bite to summer salads.

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low	
Jul	861	865	852	825
Sep	872	871	874	840
Dec	890	891	894	862
Mar	903	907	909	880
May	919	920	919	887
Jul	937	934	935	914
Sep	953	948	948	930

Turnover: 10782 (7794) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Jun 5 1067.61 (1055.04) 10 day average for Jun 7 1116.09 (1126.56)

COFFEE – London FOX (£/tonne)

	Close	Previous	High/Low	
Jul	638	632	635	625
Sep	647	647	649	639
Nov	661	662	663	652
Jan	675	674	677	670
Mar	689	690	692	685
May	705	710	705	700

Turnover: 2462 (1877) lots of 5 tonnes
ICO indicator prices (US cents per pound) for June 6: Comp. daily 72.83 (72.79). 15 day average 73.80 (73.77)

POTATOES – BFE (£/tonne)

	Close	Previous	High/Low	
Nov	109.0	110.0	109.0	
Apr	156.4	155.5	158.0	154.0
May	170.0		167.0	

Turnover 175 (234) lots of 40 tonnes.

SOYABEAN MEAL – BFE (£/tonne)

	Close	Previous	High/Low	
Aug	116.00	116.00	116.00	115.00
Oct	117.00	119.50	117.00	
Dec	124.00		124.00	

Turnover 951 (35) lots of 20 tonnes.

FREIGHT FUTURES – BFE ($10/index point)

	Close	Previous	High/Low	
Jun	1200		1210	1200
Jul	1095	1105	1107	1100
Oct	1198	1198	1201	1200
Jan	1215	1215	1215	
BFI	1297	1302		

Turnover 95 (131)

GRAINS – BFE (£/tonne)

Wheat	Close	Previous	High/Low	
Jun	121.00	121.25	121.60	121.50
Nov	117.65	117.35	117.60	117.35
Mar	124.50		124.30	
May	127.40		127.40	
Barley	**Close**	**Previous**	**High/Low**	
Sep	111.65		111.75	
Nov	116.25	115.85	116.10	116.00
Mar	122.50		122.50	
May	123.70		123.70	123.45

Turnover: Wheat 53 (63), Barley 54 (2).
Turnover lots of 100 tonnes.

PIGS – BFE (Cash Settlement) p/kg

	Close	Previous	High/Low	
Jun	137.0	136.1	137.0	136.0
Aug	121.0	122.5	122.0	121.0
Oct	123.5	124.5	123.5	
Feb	110.0		110.0	

Turnover 158 (177) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 10,241 lots
Cash	1592-4	1610-2		1585-6		
3 months	1602-3	1616-8	1618/1598	1597-8	1589-90	47,308 lots
Copper, Grade A (£ per tonne)						Total daily turnover 13,779 lots
Cash	1543-5	1550-1	1540/1535	1536-40		
3 months	1485-6	1487-8	1489/1478	1484-5	1489-90	80,346 lots
Lead (£ per tonne)						Total daily turnover 1,493 lots
Cash	481-3	485-6		479-81		
3 months	487-8	487-8	487/485	486-6.5	485-6	9,882 lots
Nickel ($ per tonne)						Total daily turnover 2,487 lots
Cash	7910-40	7900-5	7855	7850-5		
3 months	7950-75	7910-35	8010/7890	7875-900	7925-50	8,295 lots
Tin ($ per tonne)						Total daily turnover 841 lots
Cash	6230-40	6220-30	6190	6190-200		
3 months	6360-5	6350-60	6370/6350	6340-50	6360-5	6,631 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 5,463 lots
Cash	1685-90	1710-5	1695/1684	1693-5		
3 months	1626-8	1652-5	1650/1613	1641-2	1610-3	19,130 lots

LME Closing £/$ rate: SPOT: 1.6885 | 3 months: 1.6812 | 6 months: 1.6681 | 9 months: 1.6115

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	$353-353\frac{1}{2}$	$209-209\frac{1}{2}$
Opening	$353\frac{1}{2}-354$	$209\frac{1}{4}-210\frac{1}{4}$
Morning fix	353.25	209.582
Afternoon fix	352.80	209.030
Day's high	$354\frac{1}{4}-354\frac{3}{4}$	
Day's low	$351\frac{1}{4}-351\frac{3}{4}$	

Coins	$ price	£ equivalent
Mapleleaf	360-365	213-216
Britannia	360-365	213-216
US Eagle	360-365	213-216
Angel	360-365	213-216
Krugerrand	352-354	$208\frac{1}{2}-210\frac{1}{2}$
New Sov.	83-85	$49-50\frac{1}{2}$
Old Sov	83-85	$49-50\frac{1}{2}$
Noble Plat	488.05-495.78	289.65-294.20

Silver fix	p/fine oz	US cts equiv
Spot	295.75	498.60
3 months	308.90	509.00
6 months	318.00	519.50
12 months	340.50	542.35

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	July	Sep	July	Sep
1500	105	116	2	15
1500	31	54	27	51
1600	4	20	99	114

Copper (Grade A)	Calls		Puts	
2400	154	126	13	67
2500	83	78	41	116
2600	35	44	94	180

Coffee	Jul	Sep	Jul	Sep
600	40	66	5	19
650	11	38	26	41
700	2	21	67	74

Cocoa	Jul	Sep	Jul	Sep
800	54	93	3	21
850	19	62	18	40
900	4	40	53	66

Brent Crude	Jul	Aug	Jul	Aug
1550	42		11	21
1600	18	73	31	
1650	6	80	71	60

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Jun	354.6	357.4	355.2	352.1
Jul	355.9	358.7	0	0
Aug	358.1	361.0	358.7	356.4
Oct	362.7	365.6	363.3	360.5
Dec	367.4	370.3	367.6	365.0
Feb	371.9	374.8	372.0	369.0
Apr	376.3	379.3	375.0	374.5
Jun	380.9	383.9	381.2	378.0
Aug	385.5	388.5	383.5	383.5

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jun	487.0	488.9	0	0
Jul	487.5	489.4	490.0	482.5
Oct	493.0	495.0	495.0	487.5
Jan	498.5	500.7	499.0	496.5
Apr	503.9	506.1	504.5	501.5
Jul	509.3	511.5	504.0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Jun	501.3	503.0	0	0
Jul	504.0	506.3	505.0	500.5
Aug	508.0	510.3	0	0
Sep	512.2	514.5	513.5	509.0
Dec	523.6	525.8	524.3	519.0
Jan	527.0	529.3	0	0
Mar	534.4	536.6	535.0	531.0
May	542.1	544.2	542.0	539.0
Jul	549.8	551.8	550.0	546.5
Sep	558.0	560.0	558.0	555.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jun	114.75	113.90	115.35	114.50
Jul	112.15	112.10	113.00	110.90
Aug	110.35	110.00	110.70	110.00
Sep	107.85	107.50	108.30	106.70
Oct	106.50	106.10	0	0
Nov	105.10	104.70	0	0
Dec	103.75	103.30	104.20	103.00
Jan	102.75	102.20	0	0
Mar	100.45	99.80	100.80	99.50
Apr	99.65	99.15	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Jul	17.11	16.92	17.32	17.02
Aug	17.72	17.57	17.85	17.64
Sep	18.15	17.97	18.20	18.01
Oct	18.55	18.39	18.68	18.40
Jan	19.17	19.16	19.25	19.14
Mar	19.37	19.36	19.43	19.37
Apr	19.40	19.46	19.80	19.40

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jul	4770	4731	4785	4705
Sep	5030	5000	5045	4990
Nov	5275	5246	5295	5260
Dec	5375	5361	5395	5350
Jan	5445	5416	5465	5435
Feb	5425	5391	5440	5415
Apr	5120	5071	5135	5125

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Jul	1311	1313	1332	1299
Sep	1341	1342	1359	1316
Dec	1360	1363	1377	1339
Mar	1370	1380	1390	1353
May	1391	1403	1411	1372
Jul	1405	1416	1400	1393
Sep	1432	1430	1437	1425

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Jul	94.75	93.95	95.40	93.30
Sep	96.60	96.10	97.25	95.55
Dec	99.20	99.00	99.75	98.50
Mar	101.00	101.40	102.00	101.00
May	103.25	103.00	103.50	103.25
Jul	104.50	104.75	105.00	0
Sep	105.00	105.25	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	13.84	13.58	HIGH	13.52
Oct	13.54	13.46	13.70	13.33
Mar	12.81	12.93	13.53	12.81
May	12.76	12.85	12.98	12.76
Jul	12.55	12.69	12.89	12.79
Oct	12.41	12.55	12.79	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Jul	80.84	81.10	81.25	79.80
Oct	75.40	75.05	75.65	74.65
Dec	71.13	70.00	71.20	70.05
Mar	71.80	70.72	71.80	71.00
May	72.10	70.59	0	0
Jul	72.05	71.04	72.00	71.90
Oct	66.00	65.50	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jul	191.80	193.25	193.85	191.55
Sep	188.30	189.25	190.50	188.30
Nov	183.25	184.50	185.00	183.25
Jan	181.05	181.55	182.00	182.00
Mar	181.05	181.55	181.55	181.55
May	180.05	180.25	0	0
Jul	180.05	180.25	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Jun 7	Jun 6	mnth ago	yr ago
1875.7	1889.4	1931.5	1891.0

DOW JONES (Base: Dec. 31 1974 = 100)

	Jun 6	Jun 5	mnth ago	yr ago
Spot	133.15	132.99	135.60	131.29
Futures	132.41	132.71	135.14	131.75

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jul	602/6	594/0	606/0	594/4
Aug	609/4	599/0	613/4	600/0
Sep	612/2	602/2	615/4	603/0
Nov	620/4	609/0	624/6	609/4
Jan	630/2	619/6	634/0	620/0
Mar	640/0	630/2	644/0	631/0
May	649/0	640/0	652/4	641/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Jul	24.42	23.45	24.48	23.52
Aug	24.28	23.36	24.30	23.43
Sep	24.15	23.17	24.15	23.25
Oct	23.79	22.79	23.79	22.95
Dec	23.37	22.46	23.38	22.50
Jan	23.12	22.27	23.15	22.30
Mar	22.95	22.15	22.95	22.15
May	22.80	22.00	22.85	22.60

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Jul	174.1	173.6	175.7	173.0
Aug	176.2	176.2	177.5	174.9
Sep	178.0	177.0	179.7	177.0
Oct	180.0	179.0	181.0	178.5
Dec	183.6	181.8	184.7	181.7
Jan	184.7	183.2	185.5	183.0
Mar	186.1	187.0	188.2	185.5
May	189.0	188.0	189.1	188.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Jul	285/4	279/6	286/0	281/0
Sep	282/0	274/4	282/2	276/0
Dec	273/0	270/2	279/6	272/4
Mar	284/6	275/2	285/0	277/4
May	288/2	279/0	288/6	283/4

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Jul	334/6	331/4	336/0	332/0
Sep	340/4	337/6	342/0	338/0
Dec	354/4	351/2	355/4	351/4
Mar	360/4	357/4	361/4	358/0
May	356/0	354/2	357/4	354/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jun	75.32	75.22	75.35	75.10
Aug	74.25	74.22	74.30	73.90
Oct	76.50	76.40	76.55	76.12
Dec	76.07	76.00	76.10	75.77
Feb	75.42	75.37	75.45	75.10
Apr	76.47	76.42	76.47	76.05

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Jun	64.82	66.05	65.85	64.65
Jul	62.55	63.70	63.60	62.20
Aug	59.85	61.02	60.92	59.52
Oct	53.57	53.80	53.85	52.90
Dec	52.97	53.37	53.35	52.25
Feb	50.87	51.20	51.10	50.27
Apr	47.80	47.90	47.80	47.50

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Jul	67.40	66.05	67.60	65.25
Aug	64.57	64.00	65.00	53.15
Feb	62.20	62.20	62.40	61.52
Mar	61.70	61.27	61.85	61.07

LONDON STOCK EXCHANGE

Futures again lead the way forward

A RENEWED rush into London's stock futures market caught the underlying cash market by surprise yesterday. An early premium of 46 points on the FT-SE June future contract sent share prices racing ahead as marketmakers, brushing aside Wall Street's dull performance overnight, scrambled to buy the UK blue chip issues.

At its best, the market was nearly 32 Footsie points ahead, with the 2,400 mark only ten points away. The market topped off as New York opened and a reversal in an early gain on the Dow brought London shares back quite sharply. At its final reading of 2,378.4, the FT-SE Index was 19.9 points up on the overnight level.

Account Dealing Dates

*First Dealings:		
May 29	Jun 11	Jun 25
Option Declarations:		
Jun 7	Jun 21	Jul 5
Last Dealings:		
Jun 8	Jun 22	Jul 6
Account Day:		
Jun 18	Jul 2	Jul 16

*New-time dealings may take place from 8.30 am two business days earlier.

Market volume increased, albeit as measured by the daily Seaq total which takes in both inter-marketmaker and genuine customer investment business. Yesterday's Seaq figure of 592.5m shares, against Wednesday's 429m, included a substantial proportion of inter-market business, said dealers at leading securities houses.

The renewed upturn in equities took place against a background of generally discouraging corporate developments. British Land followed Great Portland Estates in disclosing bad news on property asset values. Pilkington, the glassmaker, announced lower profits, and similar news from Norcros added to the discomfort in the building sector. Sentiment was not helped by news that Coloroll had gone into receivership.

The market's progress mirrored that of many of the most successful sessions of recent weeks. Equities opened lower, in Wall Street's shadow, and were more than 8 Footsie points off at 8.30am as the stock futures market opened. The first quotations of the Footsie futures premium were enough to bring a rush of marketmakers to buy the underlying blue chips as they sought once again to buy stock.

Today brings the close of an equity trading account which has seen the FT-SE Index soar by nearly 5 per cent. However, stocks in smaller companies have lagged behind the market recovery of the past month (See chart).

Traders stressed the influence of the futures market yesterday, commenting on the appearance of a number of basket trades, where the premium offers an opportunity to sell the futures and buy the underlying stocks.

The big institutions were buyers of equities, but inclined to be cautious and selective. It was an aggressively bullish session yesterday, with marketmaking firms granting no favours, and resolutely refusing to narrow their dealing quotations even when approached by would-be traders of large blocks of shares.

However, some strategists pointed to feverish bid speculation in some stocks as a possible sign of over-heating in the market.

Boots hit by Ward White

Boots see-sawed in response to the company's full-year profit rise of 17 per cent to £358m. The figure was near the top end of expectations and the company was, as expected, optimistic on the prospects for its heart drug Manoplax.

The shares rose 6 before analysts had completed their examination of the numbers and concluded that difficulties with last year's Ward White acquisition were worse than feared and would continue to hold the company back. Mr Keith Wells at Goldman Sachs said that Ward White was the main reason why next year's growth would be only 5 per cent.

Analysts at BZW changed their recommendation from a buy to a hold, although the move had come largely in response to rises early in the week in the wake of press comment on Manoplax.

Boots trickled back against the market trend to close 2 lower on the day at 296p on busy turnover of 5.7m shares.

Pilkington down

Pilkington, the glass maker, slipped yesterday following full year profits below market expectations. But Pilkington cut most of its early losses after it emerged that it planned further asset disposals.

News that its profits had fallen £10.9m to £314.3m compared with forecasts of around £330m depressed its shares 15 to 187p. The market worries were compounded when it became clear that the lower-than-expected profits had been boosted by disposals. However, the shares recovered to close at 199p, a net 3 lower on the day, having traded a heavy 8.1m shares.

Following the figures, BZW lowered its profit estimate for the current year to £295m from £355m. Mr Mark Gibbon of BZW said investors should remain cautious on the basis of fundamentals.

Bank shares came under strong downward pressure with dealers attributing the selling pressure to imminent profits downgrades.

Lloyds Bank dipped 6 more to 291p on 5.6m, while NatWest fell 5 to 354p on 4m and Barclays 7 to 402p on 3.7m.

Abbey National extended their strong performance of recent months, climbing to a record 210p before closing a net 5 higher at 209p; UBS Phillips & Drew, strong supporters of Abbey as the shares raced higher following their flotation last year, said it was "time for caution" and that "trading orientated clients should take profits." John Wrigglesworth at UBS said Abbey have outperformed the market by 50 per cent since August 1989 and that only TSB now had a higher rating.

Mr Wrigglesworth added that continued deterioration in housing market conditions have resulted in significant increases in arrears and squeezed net interest margins. He has lowered his interim forecast to £278m from £300m. TSB settled 2¼ firmer at 144½p with 5.9m shares traded.

SG Warburg were the pick of the merchant banks, closing 5 better at 429p.

Insurance shares were among the market's best performers. In lifes Legal & General added 3 to 410p after a positive note issued by Kleinwort Benson's Roger Harvey. Mr Harvey said Legal & General had gained market share in the UK in recent years and that its management had avoided the initial large-scale expensive commitment to estate agency that enticed other life groups.

Composites were broadly higher with Commercial Union, which announced it was in talks over the possible acquisition of Royal Trust's fund management businesses, put on 8 to 505p. Royal Insurance added 9 at 498p.

Willis Faber, whose shares have foundered since news of the proposed merger with America's Corroon & Black, rallied strongly to close 9 higher at 257p; a line of 2.6m shares overhanging was said to have been placed in the market.

Pharmaceutical stocks had a good day in advance of a series of research and development presentations from several companies. Fisons added 7 at 384p, after 388p, Glaxo climbed 17 to 814p and Wellcome moved 12 ahead to 667p.

SmithKline Beecham's advance of 12 to 557p was helped by the appointment of Mr Jan Leschly as chairman of the company's worldwide pharmaceuticals business. Analysts said that he was a strong choice for the post.

There was more keen demand for Blue Circle Industries which put on 6½ to 243½p, still buoyed by stories that a bid for the group is on the cards.

GEC moved up 4½ to 215½p on good turnover of 7.1m shares with the market picking up hints that GEC may well be prepared to sell its 60 per cent stake in GPT, its joint venture in telecommunications with Plessey, to Siemens, the West German group. GEC and Siemens jointly took over Plessey last year.

British Telecom (BT) edged up 2½ to 291½p as the market easily absorbed more selling by BT employees who recently received their share certificates from BT's share save scheme.

Cable & Wireless (C & W) were 3 higher at 553p on 2.8m shares after the good results from Hong Kong Telecom, C & W's subsidiary.

Oxford Instruments jumped 34 to 233p after the sharp increase in preliminary profits.

Rumours that a deal regarding its ICL computers subsidiary could well be imminent boosted STC a further 6 to 281p after turnover of 3.9m.

A single US buying order for Manpower, estimated by one trader at 1m shares, pushed the price sharply ahead for the second day running. The shares climbed 9 to 91p, although traders said the stock was now tightly held and it did not take much to move the price. Seaq registered the turnover at 669,000 and one trader said the buy order had not been completed.

Trading continued to be brisk in Wiggins Teape Appleton, last week demerged from BAT industries. The shares rose 2¼ to 212p as 7.2m changed hands.

Reed International made a small recovery, after the loss sustained in the wake of Wednesday's figures, as it announced a sponsored American depository receipt facility to become effective before the end of June 1990. Reed climbed 4 to 439p. An ADR listing helped Grand Metropolitan improve 17 to 659p, although dealers spoke of vague bid talk.

Trading was busy in British Airways, where 13m shares changed hands. The price rose 6 to 211p and traders said the advance was a combination of catching up with the recent market rise, weakness in the oil price, which cuts fuel costs, and a story that a large New York securities house had reversed its bearish stance on the stock.

The mystery buyer of the Kuwait Investment office's stake in Lep Group turned out to be ADT, which yesterday said it now had 12.96 per cent of the company. Analysts said they thought ADT would want to buy more and Lep's share climbed steadily to 200½p, a rise of 12½. ADT firmed a penny to 198p.

There was no stopping Powell Duffryn, up another 10 to 357p on further consideration of the company's annoucement earlier in the week that it wanted to sell its coal distribution operations.

Amber Day returned to normal trading at 53p, compared with its suspension price of 48p, as it completed its acquisition of the What Everyone Wants retail chain. The price slipped by the close to 51½p.

A profit warning from Etam left the shares 33 lower at 120p. The company chairman told shareholders atthe annual: "Retailing in the opening months of the 1990s is certainly not proving to be an unalloyed pleasure and joy."

Further consideration of Kingfisher's annual meeting on Wednesday, which had knocked 4 off the price, helped the stock to recover 9 to 442p. Turnover was a steady 1.7m shares.

Asda was buoyed once again by bid speculation, and it closed 2 higher at 115½p, having traded a heavy 8.9m shares. Polly Peck, up 11 at 457p on 6.5m, was bolstered after a meeting with US analysts.

Northern Foods rose 12 to 317p after final profits of £90.2m against £85.3m last time. One analyst described the results as "reassuring after the poor figures from Ranks Hovis McDougall." Other foods stocks advanced in low volume trading, with the presence of modest buyers easily pushing prices higher. RHM was up 8 at 368p, Hillsdown gained 11 to 276p, and A. B. Foods rose 8 to 417p.

Property shares moved ahead with the rest of the market, brushing aside news that British Land had posted a decline in its asset value.

British Land dropped 14 to 319p on news that its net asset value per share had fallen to 492p from 531p last year, which was at the lower end of most market expectations.

But British Land recovered to close a net 1 higher at 334p. Dealers said a decline in British Land's assets value had been anticipated after Great Portland, another property investment company, revealed a surprise fall in its asset value on Tuesday. Analysts at BZW said British Land's net asset value would decline still further this year, which they estimated at 455p. Among the other leading property stocks, MEPC gained 14 to 508p, while Land Securities rose 8 to 509p.

An encouraging statement from Glynwed's chairman at the company's annual meeting left the shares 11 better at 263p.

BM Group continued a fortnight of good outperformance of the market with a sharp rose of 13 to 268p. The company's sales of construction equipment overseas are growing quickly, according to Mr Rupert Lewin, who follows the stock at Robert Fleming. "It is an extremely well managed company."

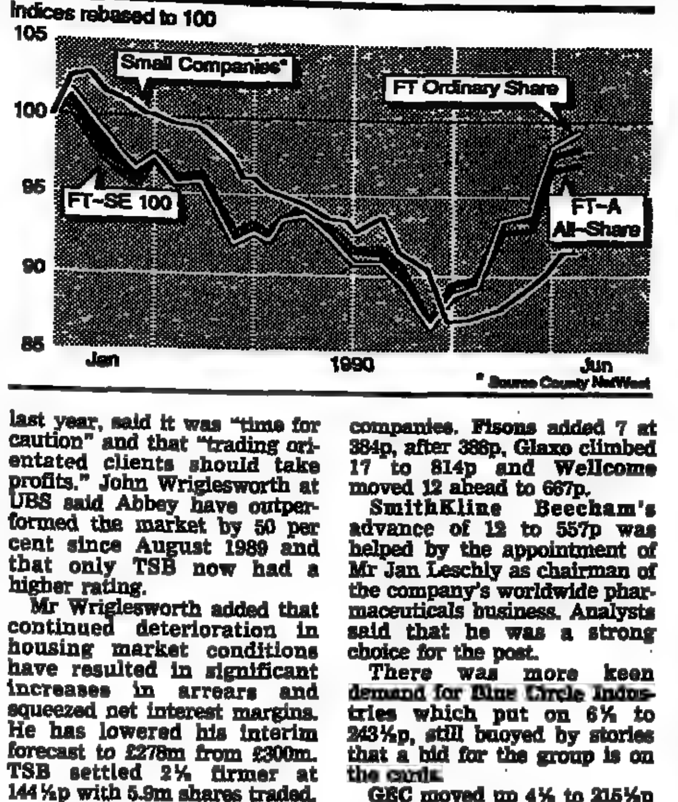
Oil shares generally suffered from bearish notes published earlier in the week by Hoare Govett and Smith New Court, but dealers said that turnover was much reduced. Oil prices steadied yesterday after the recent turbulence with July Brent finally 20 cents ahead at $15.85 a barrel. BP eased a penny to 318p on turnover of 6.2m shares, while Shell retreated 2 to 454p on 2.1m. British Gas were 2¼ higher at 221¼p on 10m shares.

The rest of the sector was mixed. Calor advanced 12 to 291p with turnover expanding to 498,000 amid vague speculation that SHV, the privately-owned Dutch investment group, may have moved early to add to their 44.2 per cent stake.

Enterprise Oil dropped 8 to 634p in thin trading of 454,000 shares and LASMO fell 7 to 398p. Ultramar, where turnover topped 885,000 shares, moved up to 348p before ending the session a net 6 higher at 344p on vague hints of a takeover bid for the group.

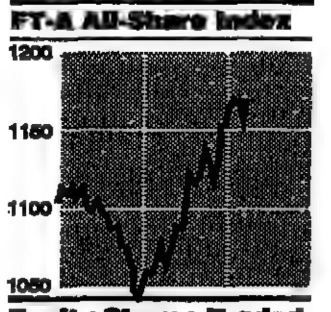
Aviva edged up to 37½p after a strong buy note issued by Smith New Court and a proposed visit next month by institutions to Aviva's Colombian operations.

■ Other Market statistics, including the FT-Actuaries share index, Page 34



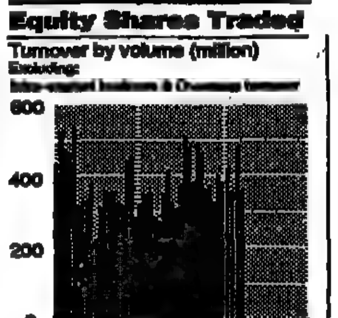
* Source County NatWest

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



FINANCIAL TIMES STOCK INDICES

	June 7	June 6	June 5	June 4	June 1	Year Ago	1990 High	1990 Low	Since Compilation High	Since Compilation Low
Government Secs	78.70	78.61	78.19	79.18	78 67	84 96	84 20 (2/1)	74.13 (30/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	87.41	87.56	87.74	87 68	87.45	95 36	92.91 (8/1)	83 60 (30/4)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1904 0	1881.0	1893.9	1893 4	1882 4	1773 0	1968.3 (3/1)	1662.0 (30/4)	2008.6 (5/9/89)	49.4 (26/6/40)
Gold Mines	187.9	202.9	198.6	202 4	212.2	190.2	378.5 (6/2)	187.9 (7/6)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2378.4	2358.5	2360.1	2379.0	2371 4	2143.2	2463.7 (3/1)	2103.4 (30/4)	2463.7 (3/1/90)	986.9 (23/7/84)
Ord. Div. Yield	4.88	4 92	4.89	4.89	4.92	4.55				
Earning Yld %(full)	10 85	11.04	10.97	10.98	11.05	11 91				
P/E Ratio(Net)(☆)	11.12	10.94	11.01	11.00	10.94	11.00				
SEAQ Bargns 4.45pm	29,380	27,457	32,227	31,402	31,605	28,312				
Equity Turnover(£m)†	-	889.93	1201 49	817.08	966.20	1890 63				
Equity Bargains†	-	27,648	32,517	31,741	33,082	31,847				
Shares Traded (ml)†	-	366.9	491 6	360.5	414.1	622.5				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 ☆ Nil 11 01

Ordinary Share Index, Hourly changes Day's High 1914.4 Day's Low 1877.2

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1877.8	1883.1	1896.5	1896.1	1900.7	1902.4	1906 2	1909 0	1909.3

FT-SE, Hourly changes Day's High 2390.3 Day's Low 2349.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2352.0	2355.9	2374.6	2372.0	2376.6	2377.8	2384.9	2384.4	2386 3

GILT EDGED ACTIVITY

Indices*	June 6	June 5
Gilt Edged Bargains	90.5	93.1
5 – Day average	86.5	87.4

*SE Activity 1974. †Excluding intra-market business & Overseas turnover. Calculation of the FT indices of daily Equity Bargains and Equity Value and of the five-day averages of Equity Bargains and Equity Value, was discontinued on July 31. Closing values for July 28 available on request.
London report and latest Share Index. Tel 0898 123001.

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change
AGT	491	193	+1
ASDA Group	8,900	115½	+2
Abbey National	4,000	209	+5
Allied-Lyons	2,600	512	+5
Amstrad	2,000	71	+½
Anglian Water	376	156½	+1½
Argos	1,600	229	-2
Argyll Group	3,300	259	+8
Ass. Brit. Foods	233	417	+8
BAA	1,600	427	+8
BAT Inds	6,000	655	+5
BET	2,000	249	+5
BICC	1,600	462	+11
BOC	1,200	568	+10
BPB Inds	882	283	-3
BTR	1,500	440	+5
Barclays	3,700	402	-7
Bass	650	1080	-10
Beazer	3,000	183	+2
Berisford Int.	1,400	177	+1
Blue Circle	2,100	243½	+6½
Boots	5,700	296	-2
Brit. Aerospace	1,300	947	+8
British Airways	13,000	211	+6
British Gas	10,000	221¼	+2¼
British Land	1,400	334	+1
BP	6,200	318	-1
British Steel	15,000	147	+3
British Telecom	12,000	291½	+2½
Bunzl	189	[illegible]	
Burmah Oil	148	884	-5
Burton	5,700	184	-10
Cable & Wire	2,800	553	+3
Cadbury	1,300	364	+8
Calor Group	498	291	+12
Carlton Comms	443	689	+7
Coats Viyella	1,400	128	
Coml. Union	845	505	+8
Cookson	822	215	+1
[illegible]	835	342	-3
Dalgety	1,000	355	+4
Dixons	2,700	141	+1½
ECC Group	1,700	407	+10
Enterprise Oil	454	634	-8
FKI	2,200	76	+2
Ferranti	531	48	
Fisons	4,300	384	+7
Gen. Accident	185	1139	+11
General Elect.	7,100	215½	+4½
Glaxo	3,200	814	+17
Globe Inv	736	200½	+2½
Glynwed Int	2,400	263	+11
Granada	321	266	+4
Grand Met	2,100	659	+17
GUS A	180	1085	+20
GRE	1,800	245	+4
GKN	1,600	394	+8
Guinness	4,300	777	-1
Hammerson 'A'	478	712	+8
Hanson	5,000	245	+2½
Hanson Warrants	4,200	63½	+1½
Harrisons Crosfield	791	188	+2
Hawker Sidd	750	680	+6
Hillsdown	889	276	+11
IMI	682	288	+11
ICI	1,700	1225	+20
Inchcape	530	276	
Kingfisher	1,100	342	+9
Ladbroke	2,000	327	+10
Land Securities	1,700	509	+8
Laporte	22	540	+1
Legal & General	623	410	+3
Lloyds Abbey	1,300	325	+3
Lloyds Bank	5,800	291	-6
LASMO	280	398	-7
Lonrho	3,500	259	-2
Lucas	847	671	+14
MB Group	885	222	+2
MEPC	703	508	+14
Manpower	882	91	+9
Marks & Spencer	3,800	227½	+3½
Maxwell Comm	184	197	
[illegible]	3,300	88	
Midland Bank	1,900	385	-1
NatWest Bank	4,000	354	-5
Next	3,000	84	
North West Water	346	168	
Northern Foods	1,600	317	+8
Northumbrian Water	97	172	-1
Pearson	280	780	+21
P & O	253	629	+9
Pilkington	8,100	199	-3
Polly Peck Intl.	6,500	457	+11
Prudential	2,000	228	+2
RHM	958	368	+8
RMC	1,500	694	+3
RTZ	3,100	583	+1
Racal	3,100	214	+2
Racal Telecom	205	371	-3
Rank Org	1,000	646	+6
Reckitt & Colman	59	1299	+12
Redland	1,000	603	+11
Reed Intl	1,600	439	+4
Reuters	358	1205	+11
Rolls Royce	6,800	228	+1
Rothmans	615	750	+1
Ryl Bk Scotland	2,600	179	-2
Royal Insurance	615	498	+9
STC	3,800	281	+6
Saatchi	1,300	102	-2
Sainsbury	1,300	287¼	+1¼
Scottish & New	751	339	
Sears	4,600	108½	
Sedgwick	440	299	
Severn Trent Water	697	137½	+½
Shell Transport	2,100	454	-2
Siebe	590	513	+11
Slough Ests	779	300	+7
Smith (W.H.) A	193	349	+1
Smith & Nephew	1,100	117¼	+2½
SmKl Beecham	806	557	+12
SmKl Beecham Units	9	2610	+50
Smiths Inds	453	370	+5
South West Water	610	181	-1
Southern Water	788	139	+3
Standard Chartd	768	470	-1
Storehouse	1,000	126	-1
Sun Alliance	1,600	325	+3
Sun Life	54	1243	+10
T&N	186	185	+1
TI Group	780	493	+7
TSB	5,900	144½	+2½
Tarmac	3,500	258	+1
Tate & Lyle	568	311	+5
Taylor Woodrow	107	278	+3
Tesco	1,500	224	+2
Thames Water	3,100	148	+2½
THORN EMI	219	784	-1
Trafalgar House	812	318	+7
Trusthouse Forte	1,300	268	-2½
Ultramar	885	344	+6
Unigate	200	305	+6
Unilever	1,500	688	-7
United Biscuits	1,500	380	+1
Utd. Newspapers	668	346	+4
Water Package Uts	2	£1526	+10
Wellcome	1,400	667	+8
Welsh Water	340	170	+3
Wessex Water	738	180	
Whitbread 'A'	761	446	+4
Williams Hldgs	1,200	277	
Willis Faber	6,300	257	+9
Wimpey	2,000	238	-1
Yorkshire Water	697	182	+1

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 4.30pm

NEW HIGHS AND LOWS FOR 1990

NEW HIGHS (82).
BRITISH FUNDS (2) AMERICANS (3) BANKS (4) BREWERS (2) BUILDINGS (4) CHEMICALS (4) STORES (8) ELECTRICALS (12) ENGINEERING (6) HOTELS (1) INDUSTRIALS (15) Amer. Business Systems, Baird (Wm.), Barry Wehmiller, British Vita, Cathay Pacific, Diploma, Fisons, Halma, Hanson, Do. Warrants, Relyon, Siebe, Swire Pacific A, Vinten, Yale & Valor, INSURANCE (3) LEISURE (1) NEWSPAPERS (1) SHOES (1) TRANSPORT (2) TRUSTS (8) OVERSEAS TRADERS (2) THIRD MARKET (1).
NEW LOWS (108).
CANADIANS (2) BANKS (3) BREWERS (3) BUILDINGS (2) STORES (5) ELECTRICALS (3) ENGINEERING (1) FOODS (2) INDUSTRIALS (4) Colorgen, Courtney Pope, Lincoln House, Norton, INSURANCE (2) LEISURE (4) MOTORS (2) PAPERS (2) PROPERTY (18) TRUSTS (7) OILS (2) OVERSEAS TRADERS (1) MINES ([illegible]) THIRD MARKET ([illegible]).

APPOINTMENTS

Senior posts at Dowty Aerospace

DOWTY AEROSPACE, part of the international advanced technology group, is restructuring its organisation and has appointed the following managing directors:

Mr Graham Lockyer, managing director of Dowty Aerospace Gloucester, becomes managing director of a new business unit focusing on landing gear.

Mr David Davis takes on the role of managing director for propellers. He was appointed technical director of Dowty Aerospace Gloucester in 1979.

Mr Frank Nugent, managing director of Dowty Aerospace Wolverhampton (formerly Dowty Boulton Paul), takes charge of actuation systems.

Mr Alan Porter, director of special projects, has been appointed to lead the hydraulics business

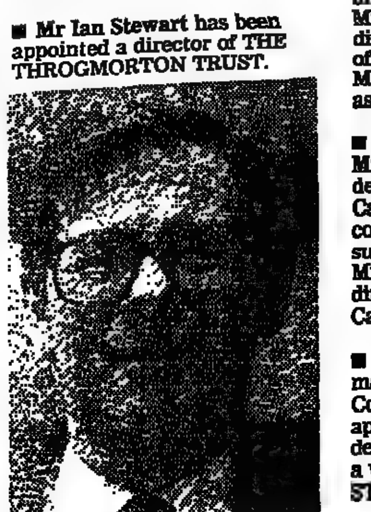
Mr Nigel Smith was appointed managing director of Dowty Aerospace's repair and overhaul facilities in October.

■ TYNDALL HOLDINGS has appointed Mr Kevin Kenny as managing director of the group's investment management division. He was managing director of the company's banking activities, and succeeds Mr Jonathan Bradley who remains a non-executive director.

■ Mr Stephen Johnson, managing director of Coutts Career Consultants, has been appointed to the main board of D.C. GARDNER GROUP.

■ Mr John Asdell has been appointed managing director of MARLER HALEY EXPOSYSTEMS, a Giltspur International group company. He was sales and marketing director of Giltspur International.

■ Mr Ian Stewart has been appointed a director of THE THROGMORTON TRUST.



Mr Michael Lickiss (*above*), senior partner of Grant Thornton UK, has been elected president of THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES. Mr Lickiss has also been appointed a deputy chairman of the FINANCIAL REPORTING COUNCIL.

■ MANUFACTURERS HANOVER CORPORATION has appointed Mr John D. Zutter Jr as executive vice president and country manager, overseeing operations in the UK. He was executive vice president, global financial institutions division, New York.

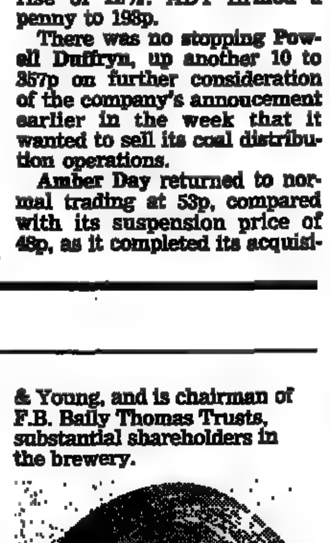
■ Mr Simon Ingram and Mr Malcolm Mutkin have been appointed deputy managing directors of the MI GROUP. Mr Ingram was group sales director, and remains head of the direct sales force, and Mr Mutkin retains his post as commercial director.

■ W.I. CARR has appointed Mr Fred Carr as new business development director at W.I. Carr (Investments). The company is a wholly-owned subsidiary of Banque Indosuez. Mr Carr was marketing director of Capel-Cure Myers Capital Management.

■ Dr Garry Hunt, who was managing director of Logica Consultancy, has been appointed director of business development at IT PARTNERS, a wholly-owned subsidiary of STC.

■ THE BODDINGTON GROUP has appointed Mr Christopher Henry as group property director. He was a director of Speyhawk Land and Estates.

■ Mr C.J.T. Nangle has been appointed a non-executive director of MANSFIELD BREWERY. He was with Ernst & Young, and is chairman of F.B. Baily Thomas Trusts, substantial shareholders in the brewery.



ALLIANCE & LEICESTER has appointed Mr Fred Crawley (*pictured*) as a deputy chairman. He is a former deputy chief executive of Lloyds Bank.

■ The Melitta Group has appointed Mr Barry Thompson as sales and marketing director for MELITTA GB.

■ TRAVIS PERKINS has appointed Mr Humfrey Smeeton, development director of Ocean Group, as a non-executive director.

■ TEGREL, Tyneside, has appointed Mr John Mackey as sales director; Mr Richard Leech as a group director; and Mr Des Holmes as production director.

LONDON SHARE SERVICE

BRITISH FUNDS

1990 High | Low | Stock | Price £ | + or – | Yield Int. | Red.

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

BRITISH FUNDS—Contd

Index-Linked

[illegible]

INT. BANK AND O'SEAS

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Contd

[illegible]

CANADIANS

[illegible]

Continued on next page

LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

BANKS, HP & LEASING

1990 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
303	209	ANZ SA1	[illegible]	[illegible]	44c	1.4	9.2	7.7
210	172	Abbey National 10p	209	+5	5.7	4.3	3.6	8.5
*274	210	Allied Irish Ord	235xd	+1	Q40%	♦	[illegible]	♦
£13½	£11¼	Algemene Fl 10	£11¼	-⅛	Q28%	[illegible]	7.8	6.0
85	73	Anglo Irish	73		tQ18.7%	2.7	6.0	10.0
81	68	Ansbacher (H.) 1p	74	...	2.5	1.3	4.4	21.9
£71¼	£54¼	Bancaire Cie Fr100	£60¾	-1½	tQ12¼%	-	2.3	-
£22¼	£16¾	Banco Bilbao V1z	£19	...	Q49.1%	2.7	4.4	[illegible]
£31	£24¼	Banco de Santander	£27	..	Q25%	2.4	4.1	10.1
286	224	Bank Ireland Ir£1	258xd	..	Q14.3%	♦	5.2	♦
£19½	£18	Bank Leumi	£19½	..	-	-	-	-
350	320	Bank Leumi (U.K.)	345	...	t13.5	-	5.2	-
125	104	Bank Scotland	121	-1	4.55	3.3	5.0	8.0
100¾	83½	Do. 9¼pc Irrd Pf	93¼	+½	9¼%	-	13.2	-
54	39	Bank of Wales	42	...	2.8	0.8	[illegible]	(20.2)
428	352	Barclays £1	402xc	-7	h19.57	3.5	6.5	5.6
22	12	Benchmark 20p	12	-1	1.63	1.0	18.1	6.9
335	310	Brown Shipley £1	320		12.0	♦	5.1	♦
455	361	Cater Allen £1	411	+1	23.5	-	7.6	-
179	129	Chancery	130	+1	t8.0	2.8	8.2	5.7
£23¼	£19½	Commerzbk DM10	£19¾	-⅝	Q18%	-	3.3	-
£13¼	842	Dai Ichi KBk Y50	910	-5	Q17%	♦	0.4	♦
£313	£262¼	Deutsche Bk DM50	£270¼	-4¼	Q28%	-	1.9	-
£20¾	£19	Espirito Santo	£19¾	+⅛	Q75c	♦	[illegible]	[illegible]
253	183	First Nat. Fin. 10p	216		13.0	2.4	8.0	6.7
121	96	FNFC 6.3pc Cv Pf	111		6.3%	-	7.6	-
£13½	£10¼	Fuji Bank Y50	£10¼	...	Q17%	♦	0.3	♦
325	262	Gerrard & National	280xd	..	19.0	♦	[illegible]	♦
154	128	Guinness Mahon 10p	128	-2	2.1	-	2.2	-
338	223	Hambros 20p	268	+1	t10.0	-	5.0	-
128	93	Do. 7.5pc Cv Pf	108	+1	7½%	-	9.3	-
53½	43	HK & Shang HK$2.50	44	-½	hQ38c	-	6.5	-
478	458	Joseph (Leo) £1	458	...	15.85	-	[illegible]	-
150	126	King & Shaxson 20p	148		10.25	♦	[illegible]	♦
[illegible]	340	[illegible]	395		16.0	2.5	5.4	10.0
642	402	Kyowa Bank Y50	483	-3	Q14%	♦	0.6	♦
312	242	Lloyds £1	291	-6	13.3	2.6	6.1	6.8
56	44	Lon Scot. Bank 10p	47	-1	2.4	[illegible]	6.8	9.8
404	271	Midland £1	305	-1	18.0	2.6	7.9	6.3

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS – Contd

[illegible]

ENGINEERING

[illegible]

ENGINEERING – Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INDUSTRIALS (Miscel.) – Contd.

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

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MOTORS, AIRCRAFT TRADES – Contd

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY – Contd

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRANSPORT

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS, FINANCE, LAND – Contd

[illegible]

TRUSTS, FINANCE, LAND – Contd

[illegible]

Finance, Land, etc

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS – Contd

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

MINES – Contd

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
125	125	Sungei Besi SM1	125d	..	–	–	–
90	90	Tanjong 15p.	90d	..	–	–	–

Miscellaneous

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
190	138	Anglesey Mining 9p ν	138	..	–	–	–
110	60	Do. Warrants ν	60		–	–	–
17	12½	Anglo-Dominion	12½		–	–	–
651	420	Bond Intl Gold	437	+7	–	–	–
37	15	Butte Mining 10p ν	16	+1	–	–	–
44	15	Colby Res Corp....	16	-1	–	–	–
122	35	Cons. Murch 10c	45		030c	5 5	17.1
26	4	DRX Inc	8		–	–	–
24½	11½	Ennex Int. Ir10p ν	12		–	–	–
98	57	Europa Minerals 2p ν	57	-1	1 0	–	2 2
86	46	Greenwich... ν	47		–	–	–
43	25	Greenwich Res β	25	-1	–	–	–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

THIRD MARKET

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
83	61	Poddington 5p	80	+4		–	–	–
118	65	Ramsden's (Harry) ν	78		14 5	6	7 7	6
60	36	Rentaminster 5p. ν	36	..	tal 85	2 8	6	7 2
14	11	Scott Pickford 10p ν	12		d0 38	3 8	4 2	8 1
38	13	Semperseva ν	13	-1	–	–	–	2 9
36	24	Sleepy Kids 5p .. ν	32		–	–	–	–
2½	1½	Swanyard Studios 1p ν	1½		–	–	–	8.4
94	58	Tomorrow Leisure 20p ν	60		–	–	–	22 8
55	35	UPL Group 10p... ν	39		t2 75	1 9	6	7 4
181	128	Unit Group ν	181	..	5 0	3 3	3 7	10 3
69	58	Video Magic Leis. 1p ν	58	-3	W2.0	0 7	4.6	46 5
5¼	3¼	Vista Ents 5p. ν	3¼	..	–	–	–	–
18	13	Vizcaya Hldgs 5p ν	13		–	–	–	–
43½	24½	Westgate Leisure 20p ν	24½		0.25	1 7	1 4	52.4
29	9	Do. Wrrnts .. ν	9	....	–	–	–	–
5½	3½	Wilton Group 1p . ν	4½		–	–	–	●

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta γ Gamma.

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ● Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially listed.
- ¶ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♦ Not comparable
- ♦ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ■ No par value

B.Fr. Belgian Francs. Fr. French Francs ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990-91. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1991. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Craig & Rose £1.. ν	830	....
Finlay Pkg. 5p.... ν	53	....
Holt (Jos) 25p . . ν	1305	+12

IRISH

Cap. 8¾% Ln. 1991..	£98¼	..
9pc Cap Ln. 1996..	£94½	-¼
Fin. 13% 97/02 ..	£112¼	..
Arnotts..	415	..
Carroll (P.J.) .. ν	148	....
Hall (R. & H.) ...	172	....
Heiton Hldgs.. ν	75	+1
IRG..	285	....
United Drug . .	160	....

TRADITIONAL OPTIONS

3-month call rates

Industrials

	p
Allied-Lyons	40
Amstrad	7
Astec (BSR)	6
BAT	62
BOC Grp.	48
BTR.	37
Barclays	34
Blue Circle	21
Boots	24
Bowaters	40
Brit. Aerospace	47
British Steel	13
Brit. Telecom	25
Cadburys	30
Charter Cons.	42
Comm Union	41
Courtaulds	29
Eurotunnel	55
FKI	7
FNFC	20
Gen Accident	93
GEC	18
Glaxo	65
Grand Met	53
Guardian	20
GKN	33
Hanson	20
Hawker Sidd	55
ICI	99
Ladbroke	27
Legal & Gen.	34
Lex Service	28
Lloyds Bank	25
Lucas Inds.	55
Marks & Spencer	19
Midland Bk.	24
Nat West Bk.	30
P & O Dfd.	52
Polly Peck	39
Racal Elect.	19
RHM	30
Rank Org Ord	70
Reed Intnl.	38
STC	21
Sears	9
SmKl. Beecham A	48
TI	39
TSB	11
Tesco	19
Thorn EMI	62
Trust Houses	24
T&N	18
Unilever	58
Vickers	19
Wellcome	57

Property

Brit Land	32
Control Secs	4
Land Securities	45
MEPC	45
Mountleigh	13

Oils

Aviva Petlm	5½
Brit Petroleum	28
Burmah Oil	55
Conroy Petlm	10
Gaelic Res.	3½
Premier	9
Shell	40
Tuskar Res.	5½
Ultramar	31

Mines

Lonrho	21
RTZ	59

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AUTHORISED UNIT TRUSTS

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
High Income						
American Income	6	52.25	52.96	56.33	-0.17	[illegible]
Gilts & Fixed Int	6	102.10	103.10	104.40	-0.1	10.05
High Inc Equity	6	135.30	138.40	147.70	-0.7	4.30
Worldwide Bond	6	191.50	191.50	202.90	-0.0	[illegible]
Capital Growth						
American Growth	6	105.30	107.10	109.60	-0.2	1.11
Asian Pacific	6	142.10	145.10	154.30	-0.6	0.09
Assets & Earnings	6	[illegible]	[illegible]	[illegible]	-0.0	2.00
Capital Reserve Acc	0	92.40	92.40	92.50	-0.04	7.71
Capital Reserve Inc	0	77.86	77.86	77.82	-0.04	7.71
Commodity & Energy	6	95.30	95.30	102.0	-1.1	0.00
Dividend & Growth	6	48.43	[illegible]	52.71	[illegible]	[illegible]
1992 Enterprise	6	62.99	64.71	68.41	[illegible]	[illegible]
Euro Capital Acc	6	104.8	104.8	111.30	-0.9	[illegible]
Euro Capital Inc	6	99.75	99.75	106.7	-1	[illegible]
General	6	177.40	177.40	189.70	+1.2	[illegible]
International	6	61.52	62.27	[illegible]	[illegible]	[illegible]
Japan	6	104.20	104.20	111.40	-0.4	0.00
Mastertrust	6	91.32	91.33	97.67	-0.2	[illegible]
UK Growth Acc	6	176.7	176.7	188.9	-0.4	[illegible]
UK Growth Dist	6	115.4	115.4	123.4	-0.2	[illegible]
US Emerging Cos	6	60.10	60.10	[illegible]	-0.2	0.00
Income & Growth	6	301.9	301.9	322.8	+1.1	[illegible]
Clerical	6	47.22	47.22	50.50	-0.2	[illegible]
Abtrust Management Ltd (1200)H						
10 Queens Terrace Aberdeen AB9 1QJ 0800 833580						

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Brown Shipley & Co Ltd – Contd.						
North American	6	65.10	65.10	69.34		0.38
Orient	6	122.0	123.0	131.4	-0.3	–
Recovery	6	45.30	45.20	48.14	+0.3	3.00
Smaller Cos Acc	6	241.6	241.6	257.3	+0.20	–
Smaller Cos Inc	6	147.9	147.9	157.5		1.20
Brycourt Unit Tst Mgmt Ltd (1400)F						
Buckmaster Mangmt Co Ltd (1200)H						
15 St Botolph Street, London EC3A 7JJ 071-247 4545						
Burrage Unit Tst Mangmt Ltd (0905)F						
117 Fenchurch St London EC3M 5AL 071-488 7216						
CCF Foster Braithwaite UT Mngt (1100)F						
1 White Hart Yard, London SE1 1NX 071-407 9066						
CCL Unit Trusts Ltd (1400)F						
74 Shepherds Bush Green, W12 8SQ 081-740 7070						
CIBC Unit Tst Managers plc (1200)H						
Cottons Ctr Cottons Lane Ldn SE1 2QL 071-234 6000						
CIS Unit Managers Ltd (1000)F						
PO Box 105, Manchester M60 0AH 061 837 5060						

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by one purchaser. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: [illegible] - 0001 to 1100 hours; [illegible] - 1101 to 1400 hours; [illegible] - 1401 to 1700 hours; [illegible] - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.

SCHEME PARTICULARS AND REPORTS
The most recent report and scheme particulars can be obtained free of charge from fund managers.
Other explanatory notes contained in last column of the FT Unit Trust Information page.

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	Init Chge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Touche Remnant Unit Tst Mngt Ltd – Contd.						
TR Income Growth	5¼	89.57	89.57	95.28	+0.74	4.2
TR Income Monthly	5¼	52.67	52.67	56.03	+0.35	7.22
TR Japan Growth	5¼	87.45	87.45	92.84	+0.25	0
TR German Growth	5¼	68.66	68.66	73.19	-0.05	0
TR Smaller Cos	5¼	76.91	76.91	81.81	+0.34	2.38
TR Special Ops	5¼	87.43	87.43	93.01	+0.11	3.24
TR High Eq Plus Acc	5¼	36.57	36.57	38.9	+0.36	2.95
TR High Eq Plus Inc	5¼	34.29	34.29	36.47	+0.33	2.56
TR Wwide Sp Sit Acc	5¼	40.09	40.09	42.76	-0.07	0
TR Wwide Sp Sit Inc	5¼	40.05	40.05	42.72	-0.07	0
TR Pension Portfolio						
TR American Grth ♦	6	29.82	30.22	32.03	-0.06	0
TR Eur Sp Sits ♦	6	36.47	36.83	39.04	-0.22	0
TR General Growth ♦	6	25.96	26.24	27.81	+0.21	0
TR Global Tech ♦	6	30.77	31.18	[illegible]	[illegible]	0
TR Income Growth ♦	6	25.98	26.26	[illegible]	[illegible]	0
TR Japan Growth ♦	6	27.39	27.62	[illegible]	[illegible]	0
TR Mgd Equity ♦	6	27.87	28.16	[illegible]	[illegible]	0
TR Overseas Growth ♦	6	29.44	29.81	31.60	-0.04	0
TR Smaller Cos ♦	6	18.12	18.31	19.41	+0.02	0
TR Special Ops ♦	6	17.94	18.13	19.22	-0.01	0
TR Wwide Sp Sits ♦	6	32.64	33.11	35.10	+0.06	0
Trades Union Unit Tst Mngrs (1200)H						
NLA Tower, Addiscombe Road, Croydon 081-686 4355						
TUUT	5	254.7	260.0	273.6	+1.4	3.16
Triton Fd Mngrs. Ltd. (1000)H						
Royal Life Hse. Colchester CO1 1RA 0206 764400						
Triton General	5¼	171.4	174.0	185.2	+0.20	3.29
Tyndall Unit Tst Mngrs Ltd (1600)F						
25 Bucklersbury, London EC4N 0800 373574						
Natural Value	5¼	41.02	41.02	43.59	-0.13	–
Br Gilt Lion	5	89.47	89.47	94.85	+0.50	4.01
Accum Units	5	94.55	94.55	100.23	+0.30	4.01
Capital Defender	5	37.99	37.99	40.28	-0.08	12.81
Accum Units	5	43.39	43.39	46.00	-0.09	12.81
1992 Eurogrowth Acc	5¼	78.79	78.79	83.53	-0.83	1.04
Income	5	78.79	78.79	83.52	+0.69	8.00
Accum Units	5	90.70	90.70	96.15	+0.80	8.00
Smaller Co's	5	71.25	71.25	75.54	+0.30	3.45
Accum Units	5	74.38	74.38	78.85	+0.31	3.56

	Bid Price	Offer Price	+ or -	Yield Gross
Abbey Life Assurance Co Ltd – Contd.				
High Inc. Ser. 4	475.1	500.2	+2.0	–
Money Ser. 4	250.0	263.2		–
Intl Ser. 4	116.5	122.7		–
Custodian Ser. 4	105.3	110.9	+0.2	–
Pension Funds				
Property	648.0	682.2		–
Equity	1176.9	1238.9	+14.7	–
Selective	385.0	405.3	+2.2	–
Managed	866.8	912.5	+5.0	–
Security	494.1	520.2		–
Fixed Int.	258.5	272.2	-0.2	–
Indexed	159.2	167.6	+0.1	–
American	282.5	297.4	-0.4	–
Japan	329.3	346.7	+2.7	–
European	189.6	199.6	-1.8	–
High Income	131.8	138.8	+0.6	–
Ethical	121.6	128.0	+0.7	–
International	214.9	226.3	-0.4	–
Aetna Life Assurance Ltd				
The Glanty, Egham, Surrey TW2 9AT 0784 475339				
Managed	175.2	184.4	-0.1	–
World Growth	148.9	156.7	-0.1	–
UK Equity	203.5	214.2	+0.1	–
UK Small Companies	173.1	182.2		–
European	154.7	162.8	-0.8	–
Far Eastern	312.3	[illegible]	+0.2	–
Nth American	117.2	123.3		–
Fixed Interest	125.9	132.5	-0.1	–
Index Linked Stks	143.1	150.6	-0.2	–
Money	128.3	135.0	+0.1	–
Pen Managed	223.7	235.5	-0.1	–
Pen World Growth	164.0	172.6	-0.6	–
Pen UK Equity	289.9	305.1	+0.4	–
Pen UK Small Cos	218.9	230.4		–
Pen European	152.8	160.8	-1.3	–
Pen Far Eastern	465.5	489.9	-3	–
Pen Nth American	[illegible]	125.0	-0.1	–
Pen Fixed Interest	152.7	160.7	-0.1	–
Pen Index Lnkd Stks	153.0	161.0	-0.3	–
Pen Money	148.4	156.1		–

Black Horse Life Ass. Co Ltd – Contd.

Britannia Life Ltd

CCL Assurance Ltd

London Life – Contd.

Merchant Investors Assurance Co Ltd – Contd.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT MANAGED FUNDS SERVICE

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Norwich Union Life Insurance Soc.–Contd.

Pearl Assurance (Unit Funds) Ltd

Pegasus Assurance Ltd

Pioneer Mutual Insurance Co Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd

Prolific Life & Pensions Ltd

Property Equity & Life Ass. Co

Providence Capital Life Assc. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Prudential Assurance Co

Prudential Holborn Life Ltd

Prudential Holborn Pensions Ltd

Prudential Pensions Limited

Regency Life Assurance Co Ltd

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Skandia Life Assurance Co Ltd–Contd.

Standard Life Assurance Company

Sun Alliance Group

Sun Life of Canada (UK) Ltd

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

TSB Life Ltd

Target Life Assurance Co Ltd

Tunbridge Wells Equitable

Westminster Assurance Society

Windsor Life Assur Co Ltd

Zurich Life Assurance Co Ltd

MANAGEMENT SERVICES

OFFSHORE INSURANCES

OFFSHORE AND OVERSEAS

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)

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	Bid Price	Offer Price	+ or -	Yield Gross
Stonehage Fund Mngrs Ltd				
Intl Man Fd	$20 91	10 97	...	-
Stronghold Asset Mngmt (Guernsey) Ltd				
Tech and Comm	£13 68	14.52		-
Pacific Basin Fd.	$99.77	106.06	...	-
Western European	$17.63	18.83	....	-
The Thai-Euro Fund Ltd				
Lloyds Bank Fund Mngrs (Guernsey) Ltd				
NAV May 25		23.37	...	-
Tyndall International (Guernsey) Ltd				
Capital Defender	$1.30	1.38	+0.01	
Hi Yield Bond	63 7	67.0	+0.1	-
Internat. Spec. Sits	48 0	50.5	-0.1	-
Marunouchi Fd	89.1	93.6	-0.5	-
U.S. Treasury Securities Fund Ltd				
Short Term Shares		$709.9		
Fixed Income Shares		$826.34	...	-
Wellington Fd Mngrs (Guernsey) Ltd				
Intnl Growth Fd	$13.70	14.38	...	-
Yamaichi Capital Mangmt (Guernsey) Ltd				
Japan Mela Growth		$12 42	+0.06	-
Yamaichi ISS Fund		$8.87	+0.06	-
Yamaichi CB Plus Fund		$9.38	+0.02	-
Thai Inv Fund		$13 [illegible]	+0.19	-

IRELAND (SIB RECOGNISED)

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
[illegible] Fund Management Ltd "MI Trusts"						
MI Global Dollar	5-		1 00	1.07	-	-

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

Money Market Trust Funds

Money Market Bank Accounts

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

ERM hopes again to the fore

STERLING IMPROVED against the D-Mark and other full members of the European Monetary System, as speculation was renewed about early British membership of the EMS Exchange Rate Mechanism.

On a dull foreign exchange market, where the major currencies were again trapped in narrow ranges, the pound provided some welcome activity. This followed comments in Parliament by Mr John Major, the UK Chancellor. He told MPs that the UK Retail Price Index will not be used to decide when British inflation is low enough to justify joining the ERM. Mr Major has pointed out on previous occasions that underlying UK inflation is closer to the European average than indicated by the RPI. Unlike in other countries, Britain includes mortgage rates - at present over 15 per cent - in the RPI, but Mr Major indicated that he favours using an inflation measure more directly comparable with the rest of Europe.

His remarks were taken to suggest a preference for early ERM entry, but some observers believed that nothing has changed as far as the UK's attitude and timing is concerned. It was pointed out that once inflation has turned down - hopefully in the last quarter of this year - the RPI, influenced by falling mortgage rates, can be expected to decline much more sharply than the underlying inflation rate.

In London sterling closed at DM2.8550, compared with DM2.8475 previously. It also rose to FFr9.6275 from FFr9.6075; to SFr2.4300 from SFr2.4125; and to Y257.75 from Y257.50. The pound improved slightly against the dollar, gaining 5 points to $1.6890, while its exchange rate index gained 0.2 to 89.5.

A narrowing of the West German April current account surplus to DM5.7bn from a revised DM10.4bn in March added to the mood of nervousness surrounding the D-Mark. The German trade news and continued unrest in the Soviet Union boosted the dollar. There was no obvious reaction to news that Mr Manuel Johnson is to resign as vice chairman of the Federal Reserve Board.

At the London close the dollar had advanced to DM1.6910 from DM1.6870; to FFr5.7000 from FFr5.6900; and to SFr1.4385 from SFr1.4285, but was unchanged at Y152.55. The dollar's index was unchanged at 67.6.

The Swiss franc weakened on comments by Mr Markus Lusser, president of the Swiss National Bank, that there might be room to ease interest rates if the franc remains strong. In terms of the D-Mark the Swiss currency fell to DM1.1755 from DM1.1810.

Within the EMS the lira finished within its allowed range against the weakest placed French franc. At the Milan fixing the Bank of Italy did not intervene to stem the lira's advance, the first occasion for a week it had failed to do so. The franc rose to L218.24 from L218.15 at the fixing, and finished at that level.

£ IN NEW YORK

June 7	Latest	Previous Close
£ Spot	1.6860-1.6870	1.6870-1.6890
1 month	0.90-0.89pm	0.95-0.94pm
3 months	2.61-2.58pm	2.81-2.79pm
12 months	9.10-9.00pm	9.34-9.27pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	June 7	Previous
8.30 am	89.3	89.3
9.00 am	89.3	89.3
10.00 am	89.4	89.3
11.00 am	89.4	89.2
Noon	89.5	89.2
1.00 pm	89.5	89.2
2.00 pm	89.5	89.2
3.00 pm	89.5	89.2
4.00 pm	89.5	89.3

CURRENCY RATES

June 7	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling	-	0.778887	.42.2745
U S Dollar	7	1.31349	1.21304
Canadian $	13.32	1.54020	1.41065
Austrian Sch	6½	15.5767	14.4580
Belgian Franc	10¼	45.5683	42.2745
Danish Krone	10½	8.45165	7.83018
Deutsche Mark	6.00	2.21481	2.05550
Neth Guilder	7.00	2.49235	2.31303
French Franc	10¼	7.46522	6.92465
Italian Lira	13½	1629.66	1511.33
Japanese Yen	5¼	200.242	185.110
Norway Krone	8	8.52061	7.89326
Spanish Peseta	-	136.193	127.503
Swedish Krona	11	8.01098	7.42590
Swiss Franc	6.00	1.87435	1.74314
Greek Drach	20½	N/A	201.231
Irish Punt	-	N/A	0.766826

* European Commission Calculations. All SDR rates are for June 6

CURRENCY MOVEMENTS

June 7	Bank of England Index	Morgan** Guaranty Changes %
Sterling	89.5	-22.3
U S Dollar	67.6	-10.6
Canadian Dollar	104.3	+0.9
Austrian Schilling	109.3	+11.5
Belgian Franc	111.2	-2.3
Danish Krone	110.2	+4.5
Deutsche Mark	118.1	+26.0
Swiss Franc	113.4	+22.4
Guilder	114.2	+15.9
French Franc	103.9	-12.6
Lira	100.8	-18.5
Yen	122.0	+50.8

Morgan Guaranty changes average 1980-1982 =100 Bank of England Index (Base Average 1985 =100) **Rates are for June 6

OTHER CURRENCIES

June 7	£	$
Argentina	8440.50 - 8476.25	5000.00 - 5020.00
Australia	2.1715 - 2.1735	1.2865 - 1.2875
Brazil	92.5075 - 93.5430	54.8000 - 55.3000
Finland	6.6880 - 6.7010	3.9630 - 3.9660
Greece	277.05 - 281.55	164.30 - 167.00
Hong Kong	13.1210 - 13.1345	7.7775 - 7.7785
Iran	118.20*	69.90*
Korea(Sth)	1199.30 - 1214.60	710.90 - 716.50
Kuwait	0.4915 - 0.4950	0.2915 - 0.2925
Luxembourg	58.70 - 58.80	34.75 - 34.85
Malaysia	4.5630 - 4.5745	2.7035 - 2.7055
Mexico	4794.20 - 4797.05	2840.00 - 2850.00
N. Zealand	2.9045 - 2.8990	1.7155 - 1.7175
Saudi Ar	6.3200 - 6.3600	3.7495 - 3.7505
Singapore	3.1150 - 3.1225	1.8470 - 1.8490
S. Af (Cm)	4.4640 - 4.5005	2.6625 - 2.6640
S. Af (Fn)	6.6215 - 6.7540	3.9215 - 4.0000
Taiwan	46.25 - 46.35	27.40 - 27.45
U A E	6.1890 - 6.1955	3.6715 - 3.6735

*Selling rate

EURO-CURRENCY INTEREST RATES

Jun 7	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	15-14¾	15-14¾	15-14⅞	15⅛-15⅛	15⅛-15⅛	15-14⅞
US Dollar	8¼-8⅛	8¼-8⅛	8⅜-8¼	8⅜-8¼	8⅜-8⅜	8⅜-8¼
Can. Dollar	13⅞-13⅛	13⅞-13⅛	13⅞-13⅛	13⅞-13⅛	13⅞-13⅛	13⅛-12⅞
D Guilder	8¼-7⅞	8¼-7⅞	8¼-8⅛	8⅜-8⅛	8⅜-8⅛	8⅜-8⅛
Sw Franc	9-8⅞	9-8⅞	8⅞-8⅞	8⅞-8⅞	8⅞-8⅞	8⅞-8⅞
Deutschmark	7⅞-7⅞	8-7⅞	8-7⅞	8⅛-8	8⅛-8⅛	8⅞-8⅛
Fr. Franc	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	10-9⅞	10⅛-10	10⅛-10⅛
Italian Lira	13-11	12-11	11⅞-11⅞	11⅞-11⅞	11⅞-11⅞	12-11⅞
Belgian Franc	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞
Yen	7⅛-7⅛	7⅛-7⅛	7⅛-7⅛	7⅛-7⅛	7⅛-7⅛	7⅛-7⅛
D Krone	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅞-10⅞	10⅞-10⅞
Asian $Sing	8⅛-8⅛	8⅛-8⅛	8⅞-8⅞	8⅞-8⅛	8⅞-8⅞	8⅞-8⅞

Long term Eurodollars, two years 8⅞-8⅛ per cent; three years 9-8⅞ per cent; four years 9⅛-9 per cent; five years 9⅛-9⅛ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

POUND SPOT- FORWARD AGAINST THE POUND

June 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6835 - 1.6895	1.6885 - 1.6895	0.92-0.90cpm	6.47	2.75-2.72pm	6.48
Canada	1.9690 - 1.9770	1.9750 - 1.9760	0.25-0.17cpm	1.28	0.74-0.61pm	1.37
Netherlands	3.20½ - 3.21¼	3.20¾ - 3.21¾	1⅞-1⅝cpm	6.30	5⅛-5pm	6.30
Belgium	58.50 - 58.90	58.70 - 58.80	31-19cpm	5.11	83-64pm	5.00
Denmark	10.83½ - 10.90¼	10.88 - 10.89	4⅛-3⅛orepm	4.14	12¼-10pm	4.14
Ireland	1.0615 - 1.0660	1.0640 - 1.0650	0.45-0.40ppm	4.81	1.20-1.10pm	4.34
W. Germany	2.84¼ - 2.86	2.85¼ - 2.85¼	1⅞-1⅞pfpm	6.57	4⅞-4⅞pm	6.57
Portugal	249.85 - 251.25	250.25 - 251.25	7-12cdis	-0.59	35-63dis	-0.85
Spain	176.05 - 177.50	177.05 - 177.35	14-7cpm	0.78	39-29pm	0.85
Italy	2093½ - 2103½	2100½ - 2101½	6½-5½lirepm	3.44	19½-17pm	3.48
Norway	10.93¾ - 10.99	10.97¼ - 10.98¼	3⅞-2⅞orepm	3.56	10¼-9pm	3.53
France	9.59½ - 9.63¼	9.62¼ - 9.63¼	4⅛-3⅞cpm	4.99	12-11½pm	4.88
Sweden	10.28¾ - 10.34¼	10.32¼ - 10.33¼	2⅛-1⅞orepm	2.40	6⅞-5⅞pm	2.25
Japan	256¼ - 258¼	257¼ - 258¼	1⅞-1⅞ypm	7.29	4⅞-4⅞pm	7.49
Austria	20.03 - 20.12	20.09 - 20.12	12⅞-10⅞gropm	6.77	35⅞-30⅞pm	6.65
Switzerland	2.42 - 2.43½	2.42½ - 2.43½	1⅞-1⅞cpm	6.54	3⅞-3⅞pm	6.24
ECU	1.3830 - 1.3850	1.3835 - 1.3845	0.55-0.52cpm	4.64	1.59-1.54pm	4.52

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.25-5.20cpm 12 month 9.35-9.25cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

June 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6835 - 1.6895	1.6885 - 1.6895	0.92-0.90cpm	6.47	2.75-2.72pm	6.48
Ireland†	1.5805 - 1.5850	1.5840 - 1.5850	0.34-0.29cpm	2.39	1.00-0.90pm	2.40
Canada	1.1665 - 1.1705	1.1670 - 1.1680	0.51-0.54cdis	-5.38	1.53-1.58dis	-5.32
Netherlands	1.8975 - 1.9080	1.9020 - 1.9030	par-0.02cdis	-0.06	0.04-0.06dis	-0.10
Belgium	34.70 - 34.90	34.75 - 34.85	1.50-7.50cdis	-1.55	8.00-18.00dis	-1.49
Denmark	6.42¼ - 6.45½	6.44¼ - 6.44¾	1.15-1.45oredis	-2.42	3.30-4.20dis	-2.32
W. Germany	1.6865 - 1.6960	1.6905 - 1.6915	0.04-0.02pfpm	0.21	0.06-0.03pm	0.11
Portugal	148.35 - 148.70	148.40 - 148.50	83-93cdis	-7.10	285-300dis	-7.87
Spain	104.30 - 105.35	104.90 - 105.00	49-57cdis	-6.06	150-170dis	-6.10
Italy	1240¼ - 1246½	1243¼ - 1244¼	3.00-3.50liredis	-3.13	9.00-10.00dis	-3.05
Norway	6.48¾ - 6.51¼	6.49¼ - 6.50¼	1.45-1.80oredis	-3.00	4.60-5.20dis	-3.03
France	5.68½ - 5.71¼	5.69¼ - 5.70¼	0.68-0.73cdis	-1.48	2.30-2.40dis	-1.65
Sweden	6.09¾ - 6.12¼	6.11¼ - 6.12	2.05-2.21oredis	-4.19	6.35-6.90dis	-4.33
Japan	152.40 - 152.75	152.50 - 152.60	0.14-0.12ypm	1.02	0.39-0.36pm	0.98
Austria	11.87 - 11.92¼	11.90 - 11.90½	0.15gro-0.25gdis	-0.20	0.10pm-1.00dis	-0.18
Switzerland	1.4335 - 1.4390	1.4380 - 1.4390	0.08-0.11cdis	-0.79	0.18-0.24dis	-0.58
ECU	1.2130 - 1.2190	1.2145 - 1.2155	0.20-0.19cpm	1.93	0.62-0.60pm	2.02

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.1679	42.2745	+0.25	+0.25	±1.5508
Danish Krone	7.79845	7.83018	+0.41	+0.41	±1.6453
German D-Mark	2.04446	2.05550	+0.54	+0.54	±1.1762
French Franc	6.85684	6.92465	+0.99	+0.99	±1.3618
Dutch Guilder	2.30358	2.31303	+0.41	+0.41	±1.5272
Irish Punt	0.763159	0.766826	+0.48	+0.48	±1.6689
Italian Lira	1529.70	1511.33	-1.20	-1.20	±1.5162
Spanish Peseta	132.889	127.503	-4.05	-4.05	±4.2705

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times

EXCHANGE CROSS RATES

June 7	£	$	DM	Yen	F Fr.	S Fr	H Fl	Lira	C $	B Fr.
£	1	1.689	2.855	257.8	9.628	2.430	3.213	2101	1.976	58.75
$	0.592	1	1.690	152.6	5.700	1.439	1.902	1244	1.170	34.78
DM	0.350	0.592	1	90.30	3.372	0.851	1.125	735.9	0.692	20.58
YEN	3.879	6.552	11.07	1000	37.35	9.426	12.46	8150	7.665	227.9
F Fr	1.039	1.754	2.965	267.8	10	2.524	3.337	2182	2.052	61.02
S Fr	0.412	0.695	1.175	106.1	3.962	1	1.322	864.6	0.813	24.18
H Fl	0.311	0.526	0.889	80.24	2.997	0.756	1	653.9	0.615	18.29
Lira	0.476	0.804	1.359	122.7	4.583	1.157	1.529	1000.	0.941	27.96
C $	0.506	0.855	1.445	130.5	4.872	1.230	1.626	1063	1	29.73
B Fr	1.702	2.875	4.860	438.8	16.39	4.136	5.469	3576	3.363	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS £50,000 64ths of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
80	4-06	4-61	0-32	0-63
81	3-22	4-16	0-48	1-18
82	2-41	3-40	1-03	1-42
83	2-02	3-03	1-28	2-05
84	1-35	2-34	1-61	2-36
85	1-10	2-05	2-36	3-07
86	0-54	1-44	3-16	3-46
87	0-39	1-22	4-01	4-24

Estimated volume total, Calls 1311 Puts 867
Previous day's open int. Calls 10956 Puts 8975

LIFFE US TREASURY BOND FUTURES OPTIONS $100,000 64ths of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
90	4-18	4-43	0-22	0-55
91	3-29	3-62	0-33	1-10
92	2-44	3-21	0-48	1-33
93	2-02	2-48	1-06	1-60
94	1-29	2-15	1-33	2-27
95	1-01	1-51	2-05	2-63
96	0-44	1-27	2-48	3-39
97	0-28	1-07	3-32	4-19

Estimated volume total, Calls 0 Puts 100
Previous day's open int. Calls 714 Puts 772

LIFFE BUND FUTURES OPTIONS DM250,000 points of 100%

Strike Price	Calls-settlements Sep	Calls-settlements Dec	Puts-settlements Sep	Puts-settlements Dec
8050	2.37	2.77	0.61	1.14
8100	2.01	2.45	0.75	1.32
8150	1.69	2.15	0.93	1.52
8200	1.41	1.88	1.15	1.75
8250	1.16	1.64	1.40	2.01
8300	0.95	1.42	1.69	2.29
8350	0.76	1.23	2.00	2.60
8400	0.60	1.05	2.34	2.92

Estimated volume total, Calls 4685 Puts 3247
Previous day's open int. Calls 21408 Puts 19637

LIFFE EUROMARK OPTIONS DM1m points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9075	0.96	0.66	0	0.08
9100	0.71	0.45	0	0.12
9125	0.46	0.29	0	0.21
9150	0.22	0.17	0.01	0.34
9175	0.02	0.10	0.06	0.52
9200	0.01	0.05	0.30	0.72
9225	0	0.03	0.54	0.95
9250	0	0.01	0.79	1.18

Estimated volume total, Calls 3012 Puts 285
Previous day's open int. Calls 12283 Puts 15202

LIFFE EURODOLLAR OPTIONS $1m points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9075	0.92	1.00	0	0.01
9100	0.67	0.76	0	0.02
9125	0.42	0.54	0	0.05
9150	0.18	0.34	0.01	0.10
9175	0.02	0.19	0.10	0.20
9200	0	0.09	0.33	0.35
9225	0	0.04	0.58	0.55
9250	0	0.01	0.83	0.77

Estimated volume total, Calls 200 Puts 0
Previous day's open int. Calls [illegible] Puts [illegible]

LIFFE SHORT STERLING OPTIONS £500,000 points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8400	0.94	1.57	0	0.02
8425	0.69	1.14	0	0.04
8450	0.45	0.91	0.01	0.06
8475	0.21	0.69	0.02	0.09
8500	0.03	0.49	0.09	0.14
8525	0.01	0.33	0.32	0.23
8550	0	0.21	0.56	0.36
8575	0	0.14	0.81	0.54

Estimated volume total, Calls 2087 Puts 2500
Previous day's open int. Calls 67552 Puts 58976

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Jun	83-01	83-02	82-19	82-21
Sep	83-19	83-24	83-03	83-07
Dec	83-31			83-19

Estimated volume 22191 (22650)
Previous day's open int. 36380 ([illegible])

US TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Jun	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 2943 (2629)
Previous day's open int. 4766 (4123)

6% NOTIONAL GERMAN GOVT. BOND DM250,000 100ths of 100%

	Close	High	Low	Prev
Sep	82.25	82.40	82.12	82.67
Dec	82.15	82.20	82.05	82.54

Estimated volume 32502 (26163)
Previous day's open int. 52169 (50188)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low	Prev
Sep	95.64	95.60	95.57	95.78
Dec	95.72	95.68	95.68	95.72

Estimated volume 92 (270)
Previous day's open int. 738 (663)

THREE MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Est. Vol. (inc. figs. not shown) 34644 (21090)
Previous day's open int. 179390 (182958)

THREE MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Est. Vol. (inc. figs. not shown) 4857 (6491)
Previous day's open int. 43015 (41098)

THREE MONTH EUROMARK DM 1m points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 19494 (13598)
Previous day's open int. 72485 (70379)

THREE MONTH ECU ECU 1m points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 327 (88)
Previous day's open int. 3791 (3797)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Jun	2424.0	2427.0	2387.0	2399.0
Sep	2474.0	2474.5	2448.0	2450.0
Dec	2516.5			2492.5

Estimated volume 6385 (5490)
Previous day's open int. 26436 (26107)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6890	1.6799	1.6617	1.6368	1.5960

DM-STERLING $s per £

	Latest	High	Low	Prev.
Jun	1.6856	1.6868	1.6822	1.6848
Sep	1.6588	1.6600	1.6556	1.6580
Dec	-	1.6340	1.6320	1.6328

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev.
Jun	94-06	94-16	94-06	94-06
Sep	93-30	94-08	93-29	93-30
Dec	93-22	93-30	93-22	93-21
Mar	-	-	-	93-14
Jun	93-08	93-14	93-08	93-07
Sep	-	-	-	93-00
Dec	-	-	-	92-26
Mar	-	-	-	92-20
Jun	-	-	-	92-14
Sep	-	-	-	92-08

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC (IMM) SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per £1)

Strike Price	Calls				Puts			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Previous day's open int: Calls 390,746 Puts 292,049 (All currencies)
Previous day's volume: Calls 20,976 Puts 6,118 (All currencies)

JAPANESE YEN (IMM) Y12.5m $ per Y100

	Latest	High	Low	Prev
Jun	0.6556	0.6560	0.6553	0.6557
Sep	0.6572	0.6577	0.6569	0.6574
Dec	0.6588	0.6588	0.6588	0.6591

DEUTSCHE MARK (IMM) DM125,000 $ per DM

	Latest	High	Low	Prev.
Jun	0.5911	0.5917	0.5901	0.5922
Sep	[illegible]	[illegible]	[illegible]	0.5922
Dec	[illegible]	[illegible]	[illegible]	0.5918

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev.
[illegible]	[illegible]	[illegible]	[illegible]	91.66
				91.73
				91.63
				91.56
				91.40
				91.31
				91.17
				91.12

STANDARD & POORS 500 INDEX $500 times index

	Latest	High	Low	Prev.
[illegible]	[illegible]	[illegible]	[illegible]	380.70
				365.95
				371.00

10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Close	Change	High	Low	Yield	Open int.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	31,416
							30,232
							5,150
							1,197

Estimated volume 76,419 Total Open Interest 67,994

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls			Puts		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

	Open	Close	Change	High	Low	Yield	Open int.
June	89.96	89.95	+0.02	89.95	89.95	10.04	11,313
September	89.83	89.86	+0.05	89.90	89.83	10.14	11,279
December	89.90	89.86	+0.05	89.90	89.85	10.14	2,983
March	89.83	89.89	+0.06	89.89	89.89	10.11	252

Estimated volume 9,962 Total Open Interest 25,727

CAC-40 FUTURES (MATIF) Stock Index

	Open	Close	Change	High	Low	Open int.
June	2045.0	2045.0	+4.0	2063.0	2042.0	5,251
July	2053.5	2049.0	+8.0	2060.0	2046.0	832
August	2060.0	2065.0	+17.0	2065.0	2059.0	21
September	-	-	-	-	-	10

Estimated volume N/A Total Open Interest 6,094

BASE LENDING RATES

	%		%		%
ABN Bank	15	Coutts & Co	15	NatWestminster	15
Adam & Company	15	Cyprus Popular Bk	15	Northern Bank Ltd	15
Allied Trust Bank	15	Dunbar Bank PLC	15	Nykredit Mortgage Bank	15½
Allied Irish Bank	15	Duncan Lawrie	15	Provincial Bank PLC	16
● Henry Ansbacher	15	Equatorial Bank plc	15	Roxburghe G'rantee	15½
Associates Cap Corp	15½	Exeter Trust Ltd	15½	Royal Bk of Scotland	15
● B & C Merchant Bank	15	Financial & Gen. Bank	15	Royal Trust Bank	15
Bank of Baroda	15	First National Bank Plc	16½	● Smith & Williamson Secs.	15
Banco Bilbao Vizcaya	15	● Robert Fleming & Co.	15	Standard Chartered	15
Bank Credit & Comm	15	Robert Fraser & Ptnrs.	15½	TSB	15
Bank of Cyprus	15	Girobank	15	Unibank plc	15
Bank of Ireland	15	● Guinness Mahon	15	● United Bk of Kuwait	15
Bank of India	15	HFC Bank plc	15	United Mizrahi Bank	15
Bank of Scotland	15	● Hambros Bank	15	Unity Trust Bank Plc	15
Banque Belge Ltd	15	Hampshire Trust Plc	15½	Western Trust	15
Barclays Bank	15	Heritable & Gen Inv Bnk.	15	Westpac Bank Corp.	15
Benchmark Bank PLC	15	● Hill Samuel	§15	Whiteaway Laidlaw	15½
Brit Bk of Mid East	15	C. Hoare & Co.	15	Yorkshire Bank	15
● Brown Shipley	15	Hongkong & Shangh	15		
CL Bank Nederland	15	● Leopold Joseph & Sons	15		
● Charterhouse Bank	15	Lloyds Bank	15		
Citibank NA	15	Meghraj Bank Ltd	15		
City Merchants Bank	15	McDonnell Douglas Bnk.	15		
Clydesdale Bank	15	Midland Bank	15		
Comm. Bk. N. East	15	Mount Banking	15		
Co-operative Bank	*16	Nat Bk. of Kuwait	15		

● Members of British Merchant Banking & Securities Houses Association. * Deposit now 5.9%. Sureave 8.5%. Top Tier-£50,000+ instant access 13.7% ¶ Mortgage base rate. § Demand deposit 9%. Mortgage 15.2% - 15.95%

MONEY MARKETS

Soft tone in London

A FIRM pound and a good supply of day-to-day credit encouraged a softer tone in London interest rates yesterday. Three-month sterling interbank declined to 15⅛-15⅛ per cent from 15⅞-15⅛, while 12-month eased to 15-14⅞ per cent from 15⅛-14⅞. Trading remained quiet in short sterling contracts on Liffe, but the performance of sterling markets in general led to a slight rise in prices. September delivery rose to 85.35 at the close from 85.29, after opening slightly weaker at 85.28.

UK clearing bank base lending rate 15 per cent from October 5

Credit was in fairly comfortable supply on the money market. The Bank of England initially forecast a shortage of £150m, but revised this to £100m at noon, and to £50m in the afternoon. The authorities did not operate in the market.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £227m, with a rise in the note circulation absorbing £70m. These outweighed Exchequer transactions adding £135m to liquidity and bank balances above target of £25m.

In Frankfurt call money eased to 7.80 from 7.85 per cent, as banks remained well supplied with liquidity, despite a net drain of DM5.1bn at this week's securities repurchase agreement tender. Banks reserve holdings at the Bundesbank rose to DM67.3bn on Tuesday, to average DM66.9bn for the first five days of the month. This is well above the expected average requirement for the whole month of around DM59bn.

Dealers said that the allocation of funds at Wednesday's tender will reduce the level of banks reserves by today, but this is not likely to cause problems.

The mood on the money market was relaxed, but nervousness is likely to build up later in the month as German monetary union approaches. From the beginning of next month the D-Mark will be legal tender in East Germany, but it has yet to be announced how the Bundesbank will meet the funding needs, or set minimum reserve requirements, for the banks in East Germany.

In Amsterdam the Dutch Central Bank offered fresh liquidity to the money market through a tender for seven-day special advances at an unchanged rate of 7.8 per cent. Banks will bid for funds today, to replace Fl 11.6bn draining from the market as an earlier seven-day facility expires.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 7) 3 months US dollars		6 months US Dollars	
bid 8¼	offer 8⅜	bid 8⅜	offer 8½

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

		Treasury Bills and Bonds			
Prime rate	10	One month	7.53	Three year	8.40
Broker loan rate	9¾	Two month	7.51	Four year	8.46
Fed.funds	8¼	Three month	7.95	Five year	8.42
Fed.funds at intervention	-	Six month	8.02	Seven year	8.51
		One year	8.08	10-year	8.47
		Two year	8.34	30-year	8.45

June 7	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	7.75-7.85	7.85-8.00	8.00-8.15	8.15-8.30	8.40-8.55	8.00
Paris	9⅞-9⅞	9⅞-9¾	-	9⅞-10	-	9.50
Zurich	8⅞-8⅞	8⅞-9	-	8⅞-9	-	-
Amsterdam	8.20-8.30	8.18-8.28	-	8.28-8.38	-	-
Tokyo	7⅞-7⅞	7⅞-7⅞	-	7⅞-7⅞	-	-
Milan	11⅞-11⅞	11⅞-11⅞	-	11⅞-11⅞	-	-
Brussels	10.75	9⅞-9⅞	-	9⅞-9⅞	-	-
Dublin	11-11⅛	10⅞-11	11⅛-11⅜	11⅞-11⅞	11⅛-11⅜	-

LONDON MONEY RATES

Jun 7	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	14½	14⅞	14⅞	15⅛	15⅛	15
Interbank Bid	3	14⅝	14⅞	15⅛	15⅛	14⅞
Sterling CDs	-	-	14⅞	15⅛	15⅛	14⅞
Local Authority Deps.	14½	14⅞	14⅞	15⅛	15⅛	14⅞
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	14	14¼	14⅞	14⅝	-	-
Company Deposits	-	-	15	15¼	15¼	15
Finance House Deposits	-	-	15	15¼	15¼	15
Treasury Bills (Buy)	-	-	14⅞	14⅞	-	-
Bank Bills (Buy)	-	-	14⅞	14½	14⅞	-
Fine Trade Bills (Buy)	-	-	15⅜	15⅛	14⅞	-
Dollar CDs	-	-	8.25	8.27	8.34	8.45
SDR Linked Dep. Offer	-	-	8⅞	9	9⅛	9⅞
SDR Linked Dep. Bid	-	-	8⅞	8⅞	8⅞	9⅞
ECU Linked Dep. Offer	-	-	10⅛	10⅛	10⅞	10⅞
ECU Linked Dep. Bid	-	-	9⅞	10⅛	10⅛	10⅞

Treasury Bills (sell): one-month 14⅞ per cent; three months 14½ per cent; Bank Bills (sell): one-month 14⅞ per cent, three months 14⅞ per cent; Treasury Bills: Average tender rate of discount 14.4826 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day May 31, 1990. Agreed rates for period June 26, 1990 to July 24, 1990, Scheme I: 15.91 p.c., Schemes II & III: 16.44 p.c. Reference rate for period May 1, 1990 to May 31, 1990, Scheme IV&V: 15.201 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from June 1, 1990. Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6), Deposit £100,000 and over held under one month 11½ per cent, one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; nine-twelve months 13 per cent; Under £100,000 11½ per cent from Oct 9, 1989. Deposits withdrawn for cash 5 per cent.

COMPANY NOTICES

TRANS-NATAL COAL CORPORATION LIMITED
(Incorporated in the Republic of South Africa)
Registration No. 63/01000/06
12.7 PER CENT UNSECURED SUBORDINATED COMPULSORILY CONVERTIBLE DEBENTURES
PAYMENT OF INTEREST - CLOSING OF REGISTERS.

NOTICE IS HEREBY GIVEN that interest for the period ending 30 June 1990 will be payable to debenture holders registered in the books of the company at the close of business on 29 June 1990.

The registers of debenture holders will be closed from 2 July 1990 to 13 July 1990 both days inclusive.

Interest will be payable in the currency of the Republic of South Africa.

Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 17 July 1990 or the first day thereafter on which a rate of exchange is obtainable.

Cheques dated 31 August 1990 will be posted by the transfer secretaries on 24 August 1990.

By order of the board
per pro. GENCOR (U.K.) LIMITED
London Secretaries
L.J. Baines

London Transfer Secretaries
Barclays Registrars Limited
6 Greencoat Place
London SW1P 1PL

30 Ely Place
London EC1N 6UA
8 June 1990

LEGAL NOTICES

APEX PRINTERS LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to Section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at The Grand Hotel, Colmore Row, Birmingham on 22 June 1990 at 12.00 am for the purposes of having laid before it the report prepared by the Joint Administrative Receivers in accordance with the said section and, if thought fit, appointing a Committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of a balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt due on, or secured by, a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as a security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the meeting must lodge a written statement of their claims with us at Cork Gully, 43 Temple Row, Birmingham B2 5JT no later than 12 noon on 21 June 1990. Forms of proxy which, if intended to be used, must also be lodged with us by that time. Photocopies (including faxed copies) are not acceptable.

DATED this 8th day of June 1990

John F Powell
Joint Administrative Receiver

BURBRIDGE PRINTERS LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to Section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at the Grand Hotel, Colmore Row, Birmingham on 22 June 1990 at 10.00 am for the purposes of having laid before it the report prepared by the Joint Administrative Receivers in accordance with the said section and, if thought fit, appointing a Committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt due on or secured by, a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as a security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the meeting must lodge a written statement of their claims with us at Cork Gully, 43 Temple Row, Birmingham B2 5JT no later than 12 noon on 21 June 1990. Forms of proxy which, if intended to be used, must also be lodged with us by that time. Photocopies (including faxed copies are not acceptable)

DATED this 8th day of June 1990

John F. Powell
Joint Administrative Receiver

BLASE MANUFACTURING LIMITED

NOTICE IS HEREBY GIVEN that I, C J HUGHES of CORK GULLY, Shelley House, 3 Noble Street, London, EC2V 7DQ was appointed Liquidator of the said Company on the 25th May, 1990 by the Creditors.

NOTICE IS ALSO HEREBY GIVEN that the creditors of the above-named company, which is being voluntarily wound up, are required, on or before 15 July 1990 to prove their debts by sending to the undersigned Christopher John Hughes of Cork Gully, Shelley House, 3 Noble Street, London EC2V 7DQ the liquidator of the company, written statements of the amounts they claim to be due to them from the company, and if so requested, to provide such further details or produce such documentary or other evidence as may appear to the liquidator to be necessary. A creditor who has not proved his debt before the declaration of any dividend is not entitled to disturb, by reason that he has not participated in it, the distribution of that dividend or any other dividend declared before his debt proved.

Date: 1st June 1990

Liquidator, Christopher John Hughes

BLASE DESIGNS PLC

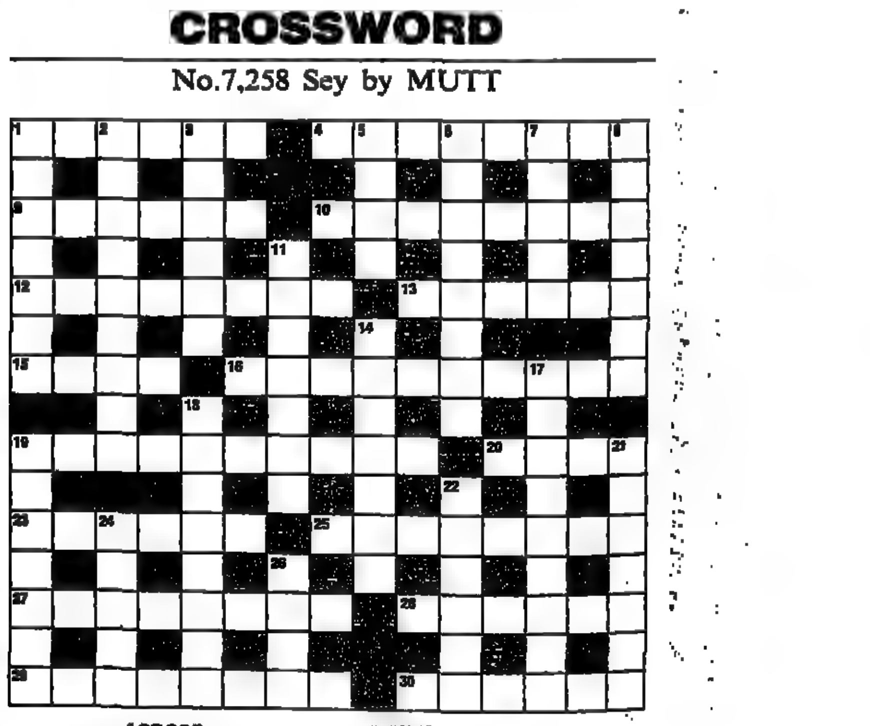
NOTICE IS HEREBY given that I, C J HUGHES of CORK GULLY, Shelley House, 3 Noble Street, London, EC2V 7DQ was appointed Liquidator of the said Company on the 25th May 1990 by the Creditors.

NOTICE IS ALSO HEREBY GIVEN that the creditors of the above-named company, which is being voluntarily wound up, are required, on or before 15 July 1990 to prove their debts by sending to the undersigned Christopher John Hughes of Cork Gully, Shelley House, 3 Noble Street, London EC2V 7DQ the liquidator of the company, written statements of the amounts they claim to be due to them from the company, and, if so requested, to provide such further details or produce such documentary or other evidence as may appear to the liquidator to be necessary. A creditor who has not proved his debt before the declaration of any dividend is not entitled to disturb, by reason that he has not participation in it, the distribution of that dividend or any other dividend declared before his debt proved.

Christopher John Hughes
Date. 1st June 1990

CROSSWORD

No.7,258 Set by MUTT



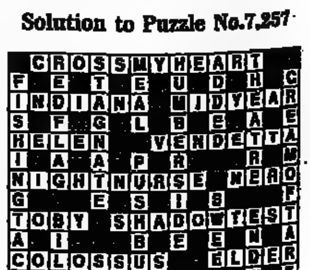
ACROSS

1 Giddy girls point to young salmon (6)
4 Tedious person, James, no end put out by the big rally (8)
9 A right to stick to secret (6)
10 Is Felix fancier, perhaps, with talc sprinkled on? (3,5)
12 Stabilise animal on opening day for display purposes (8)
13 Grasp a fragment of song (6)
15 It might be pressed in courtship (4)
16 Is he a stunt-crazy supporter? (10)
19 Divine dispensation to furnish name for church (10)
20 One's better having a small beer (4)
23 Condition of soil is coarse (6)
25 Cat ended badly, becoming degenerate (8)
27 20 put into saga – don't catch it! (8)
28 Get rid of hindrance in river (6)
29 Grape pressing process is doing business around the east (8)
30 Referred to organising deck quoits – sick, had to disappear (6)

DOWN

1 King George and a politician, American one who puffs (7)
2 Unknown in the firm, go around raising money (9)
3 Not quite senile: otherwise getting older (6)
5 In the manner of society, unfortunately (4)
6 With second age comes audacity (8)
7 Bolt for part of the year – I've travelled (5)
8 Someone talking about you? – be within call (3-4)
11 Pen dirt and get it published (7)
14 Fearful bird? (7)
17 People need a model to follow a labyrinth – surprise! (9)
18 Kept back from accompanying, embraced (8)
19 Excuse for prior to have something to sermonise about (7)
21 Priest curtailed announcement by dolt (3-4)
22 Paying people to have a turn – that takes the cake! (6)
24 Catarrh in effect can partly be attributable to the river (5)
26 Look, mine's loose (4)

Solution to Puzzle No.7,257



WORLD STOCK MARKETS

AUSTRIA
June 7 | Sch | + or −

[illegible]

BELGIUM/LUXEMBOURG
June 7 | Frs. | + or −

[illegible]

DENMARK
June 7 | Kr | + or −

[illegible]

FINLAND
June 7 | Mka | + or −

[illegible]

FRANCE
June 7 | Frs. | + or −

[illegible]

FRANCE (continued)

[illegible]

GERMANY
June 7 | Dm. | + or −

[illegible]

GERMANY (continued)

[illegible]

ITALY
June 7 | Lire | + or −

[illegible]

ITALY (continued)

[illegible]

NETHERLANDS
June 7 | Fls. | + or −

[illegible]

NORWAY
June 7 | Kroner | + or −

[illegible]

SPAIN
June 7 | Pts. | + or −

[illegible]

SWEDEN
June 7 | Kronor | + or −

[illegible]

SWITZERLAND
June 7 | Frs. | + or −

[illegible]

SOUTH AFRICA
June 7 | Rand | + or −

[illegible]

JAPAN
June 7 | Yen | + or −

[illegible]

AUSTRALIA
June 7 | Aust$ | + or −

[illegible]

AUSTRALIA (continued)

[illegible]

HONG KONG
June 7 | H.K.$ | + or −

[illegible]

MALAYSIA
June 7 | MYR | + or −

[illegible]

SINGAPORE
June 7 | S$ | + or −

[illegible]

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable, ✝ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.
† Australian prices unavailable June 6 owing to problems at exchange.

CANADA

TORONTO
2pm prices June 7

Quotations in cents unless marked $.

Sales | Stock | High | Low | Close | Chng

[illegible]

t – No voting rights or restricted voting rights.

INDICES

NEW YORK

DOW JONES	June 6	June 5	June 4	June 1	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
✝Industrials	2911.65	2925.00	2935.19	2900.97	2935.19 (4/6)	2543.24 (30/1)	2935.19 (4/6/90)	41.22 (2/7/32)
Home Bonds	90.99	90.91	90.68	90.61	93.04 (3/1)	88.48 (2/5)	—	—
Transport	1212.77	1212.59	1207.85	1190.14	1212.77 (6/6)	1051.83 (30/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	214.56	215.10	215.42	211.71	236.23 (2/1)	203.09 (30/4)	236.23 (2/1/90)	10.50 (8/4/32)

✝Day's High 2936.65 (2956.55) Low 2891.99 (2911.89)

STANDARD AND POOR'S	June 6	June 5	June 4	June 1	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	364.96	366.64	367.40	363.16	367.40 (4/6)	322.98 (30/1)	367.40 (4/6/90)	4.40 (1/6/32)
Industrials	424.61	426.85	428.34	424.05	428.34 (4/6)	371.92 (30/1)	428.34 (4/6/90)	3.62 (21/6/32)
Financial	31.16	31.41	31.15	30.39	31.87 (3/1)	26.59 (27/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	199.15	199.95	200.21	198.03	200.21 (4/6)	178.43 (30/1)	200.21 (4/6/90)	4.46 (25/4/42)
Amex Mkt. Value	364.39	363.83	364.40	363.83	382.45 (5/1)	342.64 (24/4)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	464.96	464.61	465.61	462.12	465.61 (4/6)	410.72 (30/1)	485.73 (9/10/89)	54.87 (31/10/72)

	May 25	May 18	May 11	year ago (approx.)
Dow Industrial Div. Yield	4.01	3.99	3.93	3.34

	May 30	May 23	May 16	year ago (approx.)
S & P Industrial div. yield	2.93	2.94	2.98	3.18
S & P Indl. P/E ratio	16.89	16.88	15.49	12.79

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Union Carbide	2,081,700	21	[illegible]
Philip Morris	2,064,300	44⅞	+ ⅛
Eastman Kodak	2,044,400	41⅞	+ 1⅛
Abbott Labs	1,938,500	38⅞	+ 1
Upjohn	1,816,000	42	- 1⅛
Sunshine Mng	1,690,400	3	- ⅛
Occidntl Pet	1,615,300	26⅛	- ⅛
Citicorp	1,608,900	24⅛	- ⅛
IBM	1,543,300	120⅞	+ ⅛
Mdn. Telecom	1,481,700	29⅛	+ ⅛

TRADING ACTIVITY

† Volume (Millions)	June 6	June 5	June 4
New York	154.850	199.664	175.520
Amex	13.342	12.078	11.755
NASDAQ	156.516	173.460	142.167
Issues Traded	2,003	2,036	2,010
Rises	626	755	1,101
Falls	868	811	465
Unchanged	509	470	446
New Highs	32	69	83
New Lows	28	36	27

CANADA TORONTO

	June 6	June 5	June 4	June 1	1990 HIGH	1990 LOW
Metals & Minerals	3240.20	3235.60	3258.40	3259.10	3453.05 (4/1)	2850.80 (23/4)
Composite	3611.93	3596.70	3601.50	3593.00	4009.47 (3/1)	3334.20 (1/5)
MONTREAL Portfolio	1877.99	1870.14	1868.57	1859.94	2060.90 (3/1)	1720.25 (27/4)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	June 7	June 6	June 5	June 4	1990 HIGH	1990 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1509.2	1526.9	1528.8	1524.9	1713.7 (2/1)	1434.5 (30/4)
All Mining (1/1/80)	736.2	748.8	749.1	750.1	860.8 (3/1)	715.3 (1/5)
AUSTRIA						
Credit Aktien (30/12/84)	582.46	583.27	585.24	(c)	703.29 (19/3)	526.59 (2/1)
BELGIUM						
Brussels SE (Cash Mkt) (1/1/80)	6370.64	6342.54	6344.27	(c)	6599.43 (12/1)	5568.16 (26/2)
DENMARK						
Copenhagen SE (3/1/83)	376.66	377.44	(c)	(c)	380.47 (28/5)	352.96 (25/4)
FINLAND						
Unitas General (1975)	575.0	578.7	575.7	577.1	677.3 (23/1)	562.2 (11/5)
FRANCE						
CAC General (31/12/82)	548.59	551.61	557.41	(c)	564.62 (30/5)	482.94 (26/2)
CAC 40 (31/12/87)	2050.45	2045.43	2069.43	(c)	2129.32 (20/4)	1800.32 (26/2)
GERMANY						
FAZ Aktien (31/12/58)	783.33	787.46	794.23	(c)	830.92 (3/4)	732.71 (24/1)
Commerzbank (1/12/53)	2263.4	2275.7	2300.1	(c)	2414.0 (3/4)	2151.5 (24/1)
DAX (30/12/87)	1837.43	1849.02	1876.69	(c)	1968.55 (30/3)	1756.41 (24/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3145.30	3172.49	3159.06	3155.22	3172.49 (6/6)	2738.24 (1/2)
IRELAND						
ISEQ Overall (4/1/88)	1709.43	1702.28	1709.92	(c)	1893.10 (22/1)	1582.61 (2/5)
ITALY						
Banca Com. Ital. (1972)	751.19	747.26	748.29	748.37	751.19 (7/6)	646.73 (26/2)
JAPAN						
Nikkei (16/5/49)	33192.50	32953.50	32921.62	32905.37	38712.88 (4/1)	28002.07 (2/4)
Tokyo SE (Topix) (4/1/68)	2428.44	2423.07	2424.93	2427.24	2867.70 (4/1)	2058.82 (3/4)
2nd Section (4/1/68)	4057.12	4039.37	4013.17	3998.94	4284.68 (9/2)	3313.92 (3/4)
MALAYSIA						
KLSE Composite (4/4/86)	585.74	(c)	586.50	583.82	622.30 (30/2)	518.53 (2/5)
NETHERLANDS						
CBS Tll.Rtn.Gen.(End 1983)	267.2	266.1	268.4	(c)	269.0 (3/1)	240.1 (26/2)
CBS All Shr (End 1983)	199.2	198.4	200.0	(c)	206.3 (3/1)	184.2 (26/2)
NORWAY						
Oslo SE (Ind) (2/1/83)	848.31	852.65	859.05	(c)	859.05 (5/6)	701.67 (2/1)
PHILIPPINES						
Manila Comp (2/1/85)	764.53	740.31	773.50	800.44	1160.70 (21/3)	740.31 (6/6)
SINGAPORE						
SES All-Singapore (2/4/75)	435.94	432.94	433.51	433.70	443.34 (6/2)	401.34 (30/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1492.0	1569.0	1552.0	1517.0	2230.0 (16/1)	1492.0 (7/6)
JSE Industrial (28/9/78)	3004.0	3009.0	2992.0	2981.0	3211.0 (6/2)	2794.0 (25/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	804.09	(c)	807.77	804.40	928.82 (4/1)	688.66 (30/4)
SPAIN						
Madrid SE (30/12/85)	285.45	286.46	288.06	286.63	302.85 (4/1)	248.17 (2/4)
SWEDEN						
Affarsvärlden Gen. (1/2/37)	1275.10	1279.20	1288.50	(c)	1317.88 (12/1)	1127.20 (3/4)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	813.8	815.0	820.1	(c)	825.1 (5/6)	737.6 (27/3)
TAIWAN**						
Weighted Price (30/6/66)	6602.12	7075.50	7339.71	7347.74	12495.34 (10/2)	6146.44 (25/5)
THAILAND						
Bangkok SET (30/4/75)	1022.90	1011.09	1018.86	1032.75	1032.75 (4/6)	760.39 (7/2)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	526.1	527.30	526.8	572.0 (4/1)	468.3 (2/4)

**Saturday June 2: Taiwan Weighted Price: 7857.01. Korea Comp Ex. 804.85
✝ Subject to official recalculation.
Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Thursday June 7 1990

	Stocks Traded	Closing Prices	Change on day
MHI	38.0m	1,080	-10
Nippon Oil	34.1m	1,440	+60
Nippon Mining	27.8m	1,100	+20
Isuzu Motors	17.5m	1,110	+20
Honshu Paper	13.8m	2,000	-100
NKK	11.9m	698	-5
Nippon Steel	9.3m	620	+4
Kumagai Gumi	8.6m	1,280	+80
Mitsui Eng&Shp	8.1m	1,010	-20
Nippon F&M	7.4m	1,390	+90

3pm prices June.7

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
37½	20⅛	AAR	.48	2.2	13	392	21⅝	21⅛	21⅛	– ⅛
9¼	8	ACM n	1.01	11.		87	9	8⅞	8	+ ⅛
11⅞	9⅛	ACMIn	1.26	12.		322	10¼	10⅛	10¼	
9⅞	7¼	ACM M n	1.01	13.		261	7⅞	7⅞	7¾	– ⅛
12⅛	10	ACMMM				91	11⅛	11	11⅛	
11½	9⅛	ACM Sc	1.26	13.		603	10	9⅞	9⅞	– ⅛
9⅞	8⅛	ACMSp	1.01	12.		369	8⅞	[illegible]	8¼	– ⅛
24⅝	14⅝	AL Lab	.16	.7	21	112	23¾	23¼	23½	– ½
5¼	2⅛	AM Intl				666	2⅞	2¾	2⅞	+ ¼
23⅛	10¼	AM In pf	2	16.		116	12⅝	12⅞	12⅝	
107¼	52½	AMR			13	3329	69⅛	68	68⅞	– ⅞
26⅛	25	ANR pf	2.67	11.		1	25⅛	25⅛	25⅞	
4¼	3	ARX				46	3½	3⅞	3½	+ ⅛
72⅛	40⅛	ASA	3a	6.7		1976	45¾	44⅝	44⅞	– 1⅝
39⅛	27⅝	AbtLab	s.84	2.2	19	6607	u39¼	38⅛	38⅞	+ ⅛
16⅛	11¼	Abitibi	g.50			60	13¼	13⅛	13¼	+ ⅛
13	8½	AcmeC	.40	4.4	11	89	9⅛	9	9⅛	– ⅛
9⅞	7⅛	AcmeE	.32	3.6	11	24	9⅛	9	9	– ⅛
41⅞	28⅛	Acuson			23	111	40	39⅛	39⅛	– ⅞
16½	13¾	AdaEx	2.06e	13		122	16⅞	16⅛	16⅞	
15⅞	9⅛	Adobe				27	12⅞	12⅛	12⅞	
20¼	17¼	Adob pf	1.84	9.5		18	19½	19⅛	19⅛	– ⅛
21⅞	20⅛	Adob pf	2.40	12.		3	20⅝	20⅜	20⅜	– ⅛
11⅞	6⅞	AMD			21	6656	10⅛	9¾	9⅞	– ⅜
35	28¼	AMD pf	3	9.5		32	31⅞	31½	31½	– ⅛
10⅛	4⅞	Advest	.16	3.3	61	102	5⅛	4⅞	4⅞	– ⅛
62½	45¼	AetnLf	2.76	5.2	9	662	54	52⅞	53	– ⅞
14	9¾	AhlPb	.24	2.3		72	10⅝	10⅜	10⅝	+ ⅛
25	16⅛	Ahmans	.88	4.0	10	1442	22⅜	22	22¼	+ ⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 53

NYSE COMPOSITE PRICES

Continued from previous Page

NASDAQ NATIONAL MARKET

3pm prices June.7

Stock	Div.	Sales 100s	High	Low	Last	Chng
– D – D –						
DF Sou	.60a	5 95	12⅞	12⅞	12⅞	+⅛
DH Tch		11 310	13⅞	13⅝	13⅞	+⅛
DNA Pl		580	7⅛	6⅞	7	−⅛
DS Banc	1.60a	6 105	12⅞	12	12⅞	
DSC		16 11200	13⅞	13⅝	13⅞	+⅛
Dahlbrg		17 8	16	15½	16	+⅛
Dalacp		12 56	24½	24¼	24½	+⅛
Dauphn	1.42	10 48	33¼	32¾	33¼	+1
DebShp	.20	11 28	13⅛	12⅞	12⅞	−⅛
DeklbE	.32	8 8	27	27	27	
DklbGn	.60	15 70	44	43½	43½	−½
Delchm	.40	12 28	25	24½	24½	−¼
DellCpt		24 162	11	10⅜	10⅜	−⅝

Stock	Div.	Sales 100s	High	Low	Last	Chng
WilmTr	1.44	11 202	41	40	40⅝	+⅛
WiserO	.40	24 304	18⅛	18	18	
Wolohn	.28b	11 149	18½	18	18½	
WlvExp		1480	8⅝	8	8⅝	+⅛
Wolv wt		434	3½	3¼	3⅜	
Worthg	.60	19 259	24⅝	23⅞	24⅝	
Wyman	.80	299	13¼	13	13	−⅛
– X – Y – Z –						
XL Dta		7 409	12⅞	12¼	12¼	
XOMA		1589	24½	23⅞	24¼	
Xicor		1311	3⅝	3¼	3¼	−3-16
YenEnS	1.52e	11 56	19¼	19	19	−¼
YelowF	.76	54 1033	31¼	30¼	30½	−¼
YorkRs		24 390	16	15½	15⅞	+⅜
ZionUt	1.44	10 4	29¼	29	29¼	+½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3pm prices June.7

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
AT&E			2276	u23⅞	22⅝	23½	+⅛
ATT Fd	2.39e		45	58	57¼	57⅜	−⅛
Acton		9	3	11½	11	11	
AirExp		10	17	17⅞	17⅝	17⅝	
AlbaW		7	11	6⅝	6½	6½	−⅛
Alfin			25	2¼	2⅛	2⅛	
Alza		70	449	40⅞	40⅜	40½	+⅛
Amdhl	.10	12	1950	15⅝	15⅜	15⅜	
APetl	3.20	13	2	77½	77½	77½	+⅛
AProc	.20	23	80	20⅞	20⅛	20⅜	−⅛
AmShrM	.51e	8	870	3¼	3⅛	3⅛	
Ampal		31	6	1⅞	1⅞	1⅞	

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Cross	1.24	18	122	30½	30¼	30¼	−
– D – D –							
DI Ind			15	1⅝	1⅝	1⅝	
DWG			116	9⅝	9⅝	9⅝	+
Ducom		24	23	4⅝	4⅝	4⅝	
Duplex	.76	9	187	15⅞	d15⅝	15⅝	−
– F – F –							
Fabind	.80	11	37	35	35	35	
Fluke	.32	8	7	23⅞	23⅝	23⅝	−
FreqEl		10	6	6⅞	6⅞	6⅞	−

Stock	Div. E	Sls 100s	High	Low	Close	Chng
Pitway	a.80e	18 18	36	35⅞	36	+⅛
Pitwy A	.70	12 30	27	27	27	−⅛
PlyGem	.12	15 28	8¼	8⅛	8⅛	+⅛
Presd B		181 12	7⅞	7⅞	7⅞	+⅛
Presd A	.10	22	7	7	7	−⅛
ProCm a		120	4	4	4	
ProMed	.40e	9 11	5	5	5	

INTERNATIONAL COURIER & EXPRESS SERVICES

The Financial Times proposes to publish this survey on:

22nd June 1990

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

AMERICA

Dow declines as investors take further profits

Wall Street

AFTER a brief attempt to rally at the opening, the equity market was hit with another bout of profit-taking and a wave of programme selling which took the Dow Jones Industrial Average below 2,900, *writes Janet Bush in New York.*

At 2 pm. the Dow was quoted 18.69 lower at 2,892.96 on moderate volume of 108m shares. The selling appeared to accelerate when it breached the 2,900 level. The Dow then stabilised.

The falls in the Dow on Tuesday and Wednesday represented only the second time that the index has declined two days in a row since the tail end of April, suggesting that the market is finally seeing some genuine profit-taking.

What is reassuring about current market conditions, according to some equity analysts, is that the selling is not across the board. Investors seem to be simply switching into stocks which are perceived to be better value.

Some of the large-capitalisation, high-quality stocks which have led the rally to record highs and which are now perceived to be somewhat overvalued came in for some profit-taking.

At the same time, some stocks which have been lagging the market attracted buying.

In the first category, IBM was off $⅝ at $120¼, Coca-Cola lost $⅞ to $44⅝, PepsiCola dropped $½ to $74⅜ and Waste Management edged $¼ lower to $39½. In contrast, Eastman Kodak added $½ to $42⅜.

One factor helping to limit profit-taking has been the resilience of the Treasury bond market, which firmed on Wednesday in spite of comments from various officials of the US Federal Reserve suggesting that no monetary easing is in the pipeline.

Precious metals companies tended lower, reflecting weakness in gold prices. Battle Mountain Gold fell $⅞ to $11½, Homestake Mining dropped $¾ to $17, Placer Dome dipped $½ to $14½ and Newmont Gold lost $1⅛ to $39⅞.

Another sector in focus was retail as several leading chain stores announced their May sales. Wal-Mart Stores gained $⅛ to $60¾ after reporting that its May sales rose 24 per cent.

Features included Toro, a manufacturer of power lawn mowers and sprinklers, which slumped $2⅝ to $25⅝ after the company said that it expected to report net income below some analysts' forecasts.

NYSE volume

Daily (million)

Chiquita Brands International fell $⅛ to $24⅝ after a US press report that a contract dispute between the company and Fyffes Group, the largest independent banana producer in Honduras, is posing a threat to Chiquita's banana operations.

On the OTC, Pharmacy Management Services dropped $2⅝ to $13¾, having lost $1⅛ on Wednesday. Robertson Stephens, which co-managed the company's initial public offering this year, cut its earnings estimate for the company.

Canada

A FALL in Toronto gold shares trimmed the market's gains by midsession. The gold index fell 206.11, or 3.5 per cent, to 5,852.95 while the composite index climbed 15.2 to 3,596.7 on volume of 15.88m shares.

Stikine Resources fell C$5 to C$64 after Placer Dome said it might withdraw its cash takeover offer of C$67.50 a share.

ASIA PACIFIC

Nikkei pierces 33,000 as funds turn to smaller issues

Tokyo

SHARE PRICES advanced firmly on the last day of trading for the June futures contract yesterday, as the lack of arbitrage selling encouraged buying, *writes Michiyo Nakamoto in Tokyo.*

The Nikkei average started on a strong note and rose throughout the day to close up 239.00 at 33,192.50, the first time it had breached 33,000 in five trading days. The index moved from a high of 33,217.37 to a low of 32,937.02. Advances outpaced declines by 567 to 372 while 185 issues were steady. Turnover improved to 650m shares from Wednesday's low 600m.

The Topix index of all listed stocks posted a moderate rise of 5.37 to 2,428.44 and, in London, the ISE/Nikkei 50 index added 6.24 to 1,823.90

Instead of the much-feared selling in arbitrage with the June contract, there was buying in arbitrage with the September futures contract. At the same time, concern faded that there would be massive selling today as arbitrageurs unwind their positions on the day after the expiry of the June contract.

Interest switched from large-capital stocks to highly priced, smaller-capitalisation issues. As short-term interest rates have not come down, as many domestic brokers had expected, it was difficult to favour the large-capital issues that were pursued earlier in the week, said Mr Chuck Lambert at Jardine Fleming.

Among smaller issues, Pioneer, the audio maker, surged Y190 to Y6,350 and TDK, the maker of magnetic tapes, advanced Y120 to Y6,730.

Resources drew speculative interest, with Nippon Oil advancing Y60 to Y1,440 on a report that it would be making direct deals for oil with Saudi Arabia. It was second in volume with 34.1m shares.

Real estate issues firmed on reports that demand for condominiums in urban areas remained strong. An article in a financial daily – which indicated that, of those companies traded over the counter, real estate companies showed the greatest growth prospects – also triggered enthusiasm. Mitsui Real Estate added Y40 to Y2,000 and Mitsubishi Estate gained Y30 to Y1,680. Daikyo, a leading builder of condominiums, rose Y190 to Y3,640.

Elsewhere, Kumagai Gumi, the construction company which has expanded aggressively overseas, was selected on a report that it was planning to sell some of its overseas assets and reinvest the funds in development projects. Kumagai gained Y50 to Y1,250.

In Osaka, small-lot buying of issues with special incentives supported a rise of 188.95 in the OSE average to 35,796.32. Turnover slipped to 60m shares from 63.7m on Wednesday.

Roundup

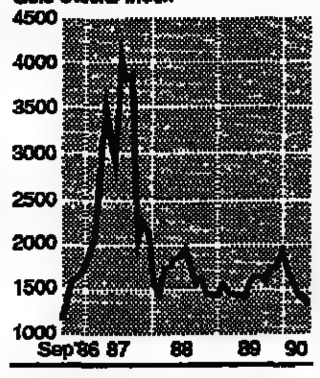
A STEEP fall in Taiwan brought its loss this week to 16 per cent, while the declining bullion price dragged Australia lower. There were some gains in the region, however, notably in the Philippines and Thailand.

TAIWAN dropped sharply again as confidence drained out of the market. Inflation fears and declining exports have added to the market's nervousness. The weighted index fell to 6,602.12, a loss of 473.38 points or 6.7 per cent, equalling its second worst ever fall in percentage terms.

Turnover declined to NT$75bn with 1.2bn shares traded from Wednesday's NT$125bn and 1.7bn shares.

Australia

Gold Stocks Index



AUSTRALIA was pulled lower by the gold sector, with the All Ordinaries index falling 17.7 to 1,509.2 and the gold index dropping 38.8 to 1,350.8, its lowest level since September 1986. A decline in the bullion price of more than US$3 an ounce in Hong Kong triggered the fall.

A report by the Government that employment had risen strongly in May, dashing hopes of a cut in interest rates, and a rising Australian dollar contributed to the pessimism.

Volume was moderate at 99m shares worth A$191m, compared with Wednesday's 106m and A$267m. In the gold sector, Gold Mines of Kalgoorlie, Barrack and Emperor each fell 4 cents, to 83 cents, 70 cents and 81 cents, respectively.

News Corp went against the trend, adding 20 cents to A$10.50 after the previous day's news of another asset sale in its effort to reduce debt.

NEW ZEALAND declined in active trading as Fletcher Challenge lost 11 cents to NZ$4.20 with 1.4m shares traded, depressing the rest of the market. The stock fell after the news that the company is to set up a unit to bid for 50.1 per cent of Telecom Corp, New Zealand's state-owned telephone company.

Air New Zealand rose 7 cents to NZ$1.95; just before the close of trading, it reported 1989 net operating profit up 39.6 per cent. The Barclays index dropped 12.68 to 1,777.47 in volume of 11m shares or NZ$25m.

HONG KONG retreated, with Hong Kong Telecom slipping after its gains earlier this week, before announcing 1989 results after the market closed. It reported net profits of HK$4.36bn, up from HK$3.63bn, and the stock lost 15 cents to HK$6.05. The Hang Seng index fell 27.19 to 3,145.30.

MANILA rebounded after four days of declines, but trading remained cautious. The composite index gained 24.22, or 3.3 per cent, to 764.53.

BANGKOK rose after the profit-taking of the previous two sessions, with financial stocks and small speculative shares leading the advance. The SET index gained 11.89 to 1,022.98. Cement makers remained weak, with Siam Cement down 40 baht at 6,806.

SINGAPORE finished off its highs, as profit-taking trimmed gains. The Straits Times Industrial index rose 2.17 to 1,553.10, on the back of the rise in Tokyo, and turnover picked up to 59m shares from Wednesday's 46m.

SOUTH AFRICA

GOLD SHARES closed sharply lower, bringing to a halt the tentative rally of the previous two days, as the bullion price remained near four-year lows and looked set to test $350. The JSE all-gold index fell 77, or 4.9 per cent, to 1,492.

EUROPE

Year's high in Italy and individual stocks enliven trade

SPECULATION about a big injection of fresh funds into Milan helped Italy hit a year's high yesterday but, elsewhere, it was up to individual stocks to provide the interest in a generally quiet day, *writes Our Markets Staff.*

FRANKFURT slipped in thin trading, although a few rising stocks stood out. Continental, the tyre manufacturer, rose DM6 to DM306 on renewed talk of stake-building and Goldschmidt, the specialty chemicals group, added DM13 to DM629 as a buy order hit an empty market.

Schering, the pharmaceuticals company, bounced back in a technical reaction to Wednesday's fall. Schering was the second most active issue with 645,190 shares traded and recouped DM23 to DM813.

VW continued to top the actives list, closing DM1.50 off at DM611.50 with 917,761 shares traded. Hoesch, the steel company, slipped DM4.20 in busy trading of 520,712 shares.

From a technical point of view, dealers did not expect the DAX index to fall much below 1,810 where it seemed to have good support. The DAX was expected to trade between 1,800 and 1,900 for the next few weeks to allow the market time to consolidate, they added. Yesterday, it fell 11.50 to 1,837.43, near the day's lows, while the FAZ index eased 3.93 to 783.53. Turnover shrank to DM5.9bn from 7.6bn.

MILAN was excited by rumours that a leading Boston, Massachussetts-based institution was about to invest up to $100m in Italian equities. The Comit index hit another high for the year, adding 3.93 to 751.19 in active trading.

Benetton jumped L239 to L9,299, reaching L9,450 after hours. Dealers said textiles stocks were being sought as they had been lagging behind the market. There is also speculation that Benetton will soon announce an acquisition.

Stocks controlled by Mr Carlo de Benedetti were well bid on talk that he was close to unwinding his stake in Société Générale de Belgique. CIR rose L70 to L5,730.

Among banks, Banca Commerciale Italiana firmed L24 to L5,419 and Mediobanca recovered L195 to L21,000 amid reports that it might be privatised. Among the insurers, RAS rose L240 to L26,300.

AMSTERDAM focused on transport companies in a moderate session that left most prices steady. The CBS Tendency index rose 0.5 to 121.1. Nedlloyd added Fl 1.80 to Fl 83.10 while Furness climbed Fl 11.50 to Fl 148.

Multinational stocks were supported by a firm London market, with Unilever up Fl 1.20 at Fl 158, just below the Fl 160 chart resistance point.

Macintosh, the retailer, rose Fl 2.80 to Fl 49 on the news that HAL Holding is planning a bid of about Fl 50 on Macintosh shares which would thwart previously announced plans for a buy-out.

PARIS edged higher, but trading remained quiet after the previous day's FFr2.3bn. Fears about a rise in capital gains taxes faded after remarks by Prime Minister Michel Rocard that France could not afford to penalise investment. The CAC 40 index rose 5.02 to 1,050.45.

Peugeot gained FFr8 to FFr819, with 234,300 shares traded, after reporting higher car registrations in May.

Saint-Gobain, the glassmaker, was unchanged at FFr574 before its announcement that the US plans to investigate its plans for a friendly takeover of Norton, the abrasives producer.

BRUSSELS began the new two-week trading account on the forward market in good spirits, with share prices rising in moderate trading. Groupe AG, the insurer, gained BFr150 to BFr9,750 and Clabecq rose BFr90 to BFr4,090.

Arbed, the Luxembourg-based steel company, lost BFr140 to BFr5,600 on speculation that its Sidmar affiliate was having payment difficulties with the Soviet Union. The cash market index rose 28.1 to 6,370.64.

ZURICH finished little changed from Wednesday's levels after recovering from early lows. Trading was thin with little foreign participation.

Chemicals led the recovery, with Ciba-Geigy registed shares adding SFr10 to SFr3,080 and Roche bearers rising SFr70 to SFr4,120. Swissair bearers fell a further SFr35 to SFr1,025 after freezing recruitment on Wednesday after its below-expectations performance in the first four months.

MADRID finished lower in light trading on worries about the continuing high level of interest rates and on profit-taking in the construction sector. The general index finished 1.01 down at 285.45.

COPENHAGEN was quiet, with Hafnia Holding, the financial concern, falling DKr15 to DKr695 after the previous day's speculative advance. Baltica Holding, the insurer rumoured to be Hafnia's takeover target, lost DKr5 to DKr890; the chairman of the French insurer and Baltical shareholder, Groupe Victoire, said that a shareholders' pact should ensure its independence.

STOCKHOLM saw Saab fall following a magazine report that Saab Automobile's losses would be between SKr2bn and SKr3bn in 1990. Saab free B shares fell SKr10 to SKr229 and the Affärsvärlden General index fell 4.1 to 1,275.10.

Switzerland steals French thunder

Antonia Sharpe analyses the turnover levels in Europe last month

FRANCE passed the baton to Switzerland in terms of turnover in May, as a whiff of large capital raising exercises scheduled for early summer sent investors in French equities scurrying for cover. Across the Alps, a fall in Swiss short-term interest rates was the excuse that foreigners were looking for to return to the neglected Swiss bourse.

Figures supplied by County NatWest show Swiss volume nearly doubled in May, reflecting the massive inflow of new funds. County points out that these figures are now more accurate thanks to improved reporting of turnover in the top 50 stocks by the Swiss stock exchange.

A combination of factors converged to pull the Swiss market higher in May, says Mr Max Elvidge of Kleinwort Benson. First, Switzerland had been lagging behind the other European markets in 1990 and had some catching up to do. Second, the rising Swiss franc, better news on the inflation front and the prospect of lower interest rates made the financial sector look attractive.

"Financial stocks are not only directly related to any movements in interest rates, but they make up the biggest single sector within the market index," says Mr Elvidge.

Insurance stocks were sought after, in view of their underperformance over the past five years. But it would be difficult for the Swiss bourse to sustain these volume levels throughout June, he adds.

In spite of the rumours of hostile stake-building swirling around Lafarge Coppée, volume in France dropped 16.4 per cent although it remained above March's level.

Many large French investment funds retreated from the market when the timetable of new share issues became clear, says Mr Henry de Montremy of Charterhouse Tilney. He points out that imminent cash calls from Total, Lyonnaise des Eaux, Schneider, Générale des Eaux and LVMH, as well as the privatisation of the state insurer, GAN, are heavy burdens for the market to support.

West German turnover rose 15.4 per cent, although it was still well below March's level. Mr James Cornish of County NatWest notes that daily volume petered out in the second half of May. "Share prices went up but there was no follow-though buying which shows a lack of conviction from investors," Mr Cornish says.

May also saw turnover in Belgium return to more respectable levels after a poor April. Volume jumped 44.2 per cent to BFr42.1bn but was still well below January's BFr67.2bn. County points out that these data show turnover in domestic Belgian equities, stripping out the foreign companies listed in Brussels which were previously included, and bringing the Belgian volume figures in line with those of the other countries covered. Domestic equity figures were previously not available.

Mr Fritz Mertens of Belgian brokers Peterbroeck says an improved economic outlook and closer links between the Belgian franc and the D-Mark prompted foreign buying of quality, industrial stocks.

EUROPEAN EQUITIES TURNOVER
Monthly total in local currencies (bn)

Bourse	Feb 1990	Mar 1990	Apr 1990	May 1990	US $bn
Belgium	67.2	46.29	29.2	42.1	1.2
France	103.8	107.0	142.0	118.9	20.2
Germany	165.2	191.0	121.1	139.7	82.3
Italy	14,377	15,913	17,056	19,028	15.2
Netherlands	12.37	12.4	12.1	13.8	7.1
Spain	381.1	366.4	517.0	480.0	4.6
Switzerland	16.20	16.9	13.8	26.4	18.4
UK	22.8	23.8	21.0	27.4	46.0

Volumes represent purchases and sales. Swiss and Spanish data estimated. Italian data adjusted to include off-market trading. Some figures may be revised. Source: County NatWest WoodMac.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JUNE 6 1990								TUESDAY JUNE 5 1990					DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1990 High	1990 Low	Year ago (approx)
Australia (80)	139.79	+0.7	122.74	134.80	122.61	120.40	+0.1	5.79	138.82	122.21	133.90	122.01	120.31	158.31	125.85	182.09
Austria (19)	244.84	+0.4	214.98	236.10	214.74	214.51	+0.0	1.26	243.86	214.69	235.24	214.33	214.51	285.63	193.15	120.82
Belgium (61)	152.92	+0.3	134.27	147.44	134.11	130.85	+0.0	4.41	152.41	134.18	147.00	133.95	130.00	160.02	132.11	129.28
Canada (119)	139.73	+0.5	122.69	134.73	122.54	118.63	+0.3	3.44	139.00	122.37	134.07	122.18	118.32	153.81	120.37	141.10
Denmark (33)	257.44	+0.5	226.05	248.25	225.79	224.88	+0.1	1.28	256.21	225.56	247.15	225.18	224.59	260.82	236.89	181.23
Finland (26)	137.98	+0.9	121.15	133.06	121.02	114.56	+0.6	2.39	136.71	120.36	131.86	120.16	113.89	152.29	129.99	145.14
France (125)	160.17	−0.8	140.64	154.44	140.47	142.96	−1.0	2.88	161.52	142.20	155.79	141.95	144.42	168.85	141.69	120.26
West Germany (93)	130.54	−0.5	114.62	125.89	114.49	114.49	−0.7	1.95	131.13	115.45	126.51	115.25	115.25	137.71	122.05	86.05
Hong Kong (48)	130.55	+0.0	114.63	125.89	114.51	130.40	−0.1	4.81	130.59	114.97	125.96	114.78	130.48	130.80	112.24	91.99
Ireland (17)	187.28	−0.4	164.44	180.59	164.25	166.44	−0.4	2.63	188.02	165.53	181.37	165.25	167.15	198.57	172.72	137.57
Italy (96)	106.67	−0.1	93.66	102.86	93.55	98.88	−0.3	2.39	106.74	93.98	102.96	93.81	99.17	107.10	91.85	79.10
Japan (454)	153.47	−0.2	134.76	147.99	134.62	147.99	−0.2	0.57	153.77	135.38	148.32	135.16	148.32	197.26	124.40	176.03
Malaysia (35)	232.93	+0.0	204.52	224.60	204.29	242.88	+0.0	2.22	232.88	205.03	224.63	204.67	242.88	245.32	204.15	174.21
Mexico (13)	543.69	−1.0	477.39	524.28	476.85	1691.19	−0.9	0.31	549.32	483.61	529.88	482.79	1706.59	549.86	324.53	230.03
Netherland (43)	139.83	−0.7	122.82	134.89	122.69	121.24	−0.9	4.65	140.82	123.98	135.84	123.77	122.31	145.66	130.43	117.40
New Zealand (17)	64.79	−1.3	56.89	62.48	56.83	59.09	−2.0	7.46	65.64	57.79	63.32	57.69	60.32	75.36	59.57	63.22
Norway (23)	241.67	−0.8	212.20	233.05	211.97	212.81	−1.0	1.44	243.56	214.43	234.95	214.07	215.05	245.90	202.34	174.82
Singapore (25)	204.75	−0.3	179.78	197.44	179.57	174.36	−0.4	1.94	205.32	180.76	198.06	180.45	175.04	207.28	179.70	152.94
South Africa (60)	194.41	+1.9	170.70	187.46	170.51	164.07	+1.7	3.66	190.81	167.99	184.05	167.70	161.36	251.39	173.80	141.31
Spain (42)	160.80	−0.8	141.19	155.06	141.03	127.36	−0.6	4.17	162.13	142.73	156.39	142.49	128.17	165.19	132.84	146.05
Sweden (35)	215.61	−0.9	189.32	207.92	189.11	194.78	−1.1	2.07	217.57	191.54	209.87	191.22	196.87	217.57	173.89	159.13
Switzerland (66)	103.35	−0.9	90.75	99.67	90.66	91.53	−1.4	2.26	104.30	91.83	100.62	91.68	92.82	104.31	88.75	75.81
United Kingdom (305)	161.00	−0.5	141.37	155.24	141.19	141.37	−0.7	4.77	161.75	142.40	156.01	142.15	142.40	164.31	139.87	139.12
USA (537)	147.63	−0.4	129.62	142.36	129.48	147.63	−0.4	3.29	148.23	130.50	143.00	130.29	148.23	148.55	130.61	133.36
Europe (984)	147.03	−0.5	129.10	141.78	128.96	128.60	−0.7	3.53	147.76	130.09	142.53	129.87	129.54	147.76	135.57	116.14
Nordic (117)	206.37	−0.3	181.20	199.00	181.00	176.01	−0.5	1.71	206.93	182.18	199.61	181.87	176.94	206.93	185.01	153.73
Pacific Basin (659)	152.08	−0.2	133.53	146.65	133.39	146.08	−0.2	0.88	152.32	134.10	146.94	133.88	146.40	192.75	124.83	171.22
Euro – Pacific (1643)	150.43	−0.3	132.08	145.05	131.93	139.48	−0.4	1.93	150.87	132.83	145.52	132.59	140.07	174.18	130.35	149.25
North America (656)	147.05	−0.4	129.12	141.81	128.99	145.70	−0.4	3.29	147.58	129.92	142.37	129.73	146.25	147.67	131.02	133.73
Europe Ex. UK (679)	137.00	−0.5	120.29	132.13	120.18	120.56	−0.7	2.74	137.71	121.24	132.86	121.06	121.44	139.50	124.81	101.61
Pacific Ex. Japan (205)	134.68	+0.2	118.26	129.89	118.14	121.03	−0.1	5.06	134.35	118.28	129.62	118.09	121.17	139.32	122.53	113.61
World Ex. US (1835)	150.72	−0.2	132.34	145.35	132.20	139.43	−0.4	2.00	151.09	133.02	145.76	132.80	139.95	173.77	131.30	148.93
World Ex. UK (2067)	147.25	−0.3	129.30	142.01	129.17	142.11	−0.4	2.19	147.67	130.01	142.46	129.80	142.61	162.00	130.80	142.72
World Ex. So. Af. (2312)	148.18	−0.3	130.11	142.91	129.98	141.84	−0.4	2.43	148.66	130.88	143.41	130.66	142.41	161.84	131.95	142.39
World Ex. Japan (1918)	147.34	−0.4	129.37	142.10	129.25	139.12	−0.5	3.45	147.88	130.19	142.66	129.99	139.79	147.88	134.62	126.50
The World Index (2372)	148.46	−0.3	130.36	143.17	130.22	141.99	−0.4	2.44	148.91	131.10	143.65	130.89	142.55	162.05	132.25	142.38

Latest prices were unavailable for this edition.
Malaysian market closed June 6.
Austrian prices were unavailable from the Vienna Bourse June 6

RECRUITMENT

JOBS: If British boards are pay-crazed, the straitjacket is more urgently needed elsewhere

US chiefs a heap bigger than Europeans

THE MEDIA outcry about "pay-crazed British boardrooms" must be causing hollow laughter in the executive suites of most of the country's companies. And it will probably go on doing so for long to come.

The reason is that the subject of top people's pay is a news reporter's dream. Its topicality is continually renewed as the publication of some big group's annual accounts adds a further managerial eminence to the dozens awarded bumper rises apparently not justified by their outfit's financial results.

Unfortunately, the breath-taking figures are yet another instance of the topical not being typical. When all United Kingdom company directors are taken as a whole, the proportion with gross pay of a size to excite the media seems unlikely to be greater than the proportion who are left-handed red-headed jazz-fans.

Studies of the general level of executives' rewards in different countries suggest that, if British boardrooms are pay-crazed, they are in less urgent need of the straitjacket than their counterparts elsewhere. An indication of how they fare by international standards is given by the table above covering the United States as well as nine European lands.

HOW DEPARTMENTAL DIRECTORS' PECKING-ORDERS DIFFER BETWEEN COUNTRIES

	United States		Switzerland		West Germany		Italy		France		Netherlands		Belgium		Sweden		Spain		United Kingdom	
Typical gross pay of chief executives	£153,000		£109,800		£94,100		£92,900		£79,400		£78,250		£75,900		£71,200		£69,400		£67,650	
		%		%		%		%		%		%		%		%		%		%
Departmental directors ranked by their typical pay as a percentage of chief executives' typical pay	Finance	47	Fin	75	Sales	68	Pdcin	79	Sales	71	Sales	81	Sales	74	Sales	69	Fin	70	Sales	73
	Admin.	45	Mktg	67	Mktg	67	Sales	78	Mktg	71	Pdcin	67	Fin	72	Mktg	63	Pdcin	70	Fin	62
	Sales	45	Sales	66	Fin	66	Eng	76	Eng	67	Eng	64	Rsch	72	Fin	60	Rsh	70	Mktg	62
	Production	41	Pers	61	Pdcin	63	Fin	72	Pdcin	65	Fin	64	Pers	68	D-P	58	Sales	69	Rsch	59
	Research	37	Pdcin	61	Rsch	60	Adm	67	Fin	63	Mktg	64	Pdcn	67	Pdcin	58	Mktg	69	Pdcin	58
	Marketing	36	Rsch	61	D-P	58	D-P	62	Adm	60	Pers	60	Eng	66	Pers	57	Eng	64	Adm	55
	Engineering	35	Eng	59	Eng	58	Mktg	61	Eng	58	Adm	57	Adm	65	Adm	56	D-P	61	D-P	54
	Personnel	31	Adm	57	Pers	58	Pers	61	Pers	57	D-P	57	Mktg	65	Eng	51	Pers	61	Eng	54
	D-P	28	-	-	-	-	Rsch	61	D-P	50	Rsch	53	D-P	60	Rsch	51	Adm	58	Pers	54

Source: Top Management Remuneration, Wyatt, 273 Avenue de Tervuren (Box 4), Brussels 1150, Belgium; tel (02) 771 89 10, fax (02) 762 37 43. £460.

Compiled from the Wyatt consultancy's latest survey, it shows typical gross cash rewards – salaries plus bonuses – of chief executives and their departmental directors in companies with a turnover of about US$100m (which at the 1.70 exchange rate used to convert the figures into sterling, is just under £59m). In each case, the gross pay of the specialist directors is shown as a percentage of the rewards of the same country's chief executive.

As may be seen, across the businesses with comparable sales income, the British chief comes bottom of the 10-nation league. Moreover, there are two other countries whose company chiefs are higher placed than the UK equivalent, which I have excluded from the table because Wyatt's does not give figures for a full range of their directors. They are Austria and Denmark.

It is true that the positions would be different if the ranking was based on buying power. In that case, the Belgian, Dutch, Swedish (and Danish) chiefs would be worse off than the British. But the focus of the media criticisms is not how much money top bosses take home after tax and social security charges. It is the gross sums their services cost their companies.

Nor does the table take account of either in-kind perks such as company cars or the deferred money rewards represented by pension entitlements and stock options, which typically amount to about half as much again as gross cash pay. But there seems to be relatively little variance in the value of chief executives' in-kind and deferred rewards across the countries listed. For example, although UK managers as a whole are more generously supplied with company cars, where they score over other nations' executives is not at the top, but at middle-management levels.

A legend about US company chiefs in particular is that, by comparison with those elsewhere, they are much more dependent on results-related bonuses. While that may be so in huge US corporations, Wyatt's survey suggests that the legend exaggerates the position in $100m-turnover concerns. Bonuses make up a greater percentage of chiefs' pay for the Americans than for the rest, but the differences are fairly modest. The comparisons are:

United States	22%
Switzerland	20%
France	17%
Italy	15%
United Kingdom	15%
Sweden	15%
West Germany	14%
Netherlands	11%
Belgium	10%
Spain	7%

Hence the US top boss's large lead in the table is not explainable by earnings tied directly to results. Of the £153,000 gross figure, £118,800 is base salary - £10,000 more than the total pay including bonuses of the Swiss in second place.

The only other big variance between the Americans and the rest is of a different nature. It is that the US chief enjoys a heap bigger advantage in pay over the next highest ranks in the corporate wigwam than European top bosses have over their direct subordinates.

The lowest ranked departmental heads in the boardrooms east of the Atlantic are the directors of research and engineering in Sweden and of data-processing in France, with 50 per cent of the gross pay received by their country's chief executive. In the US the *highest* ranked specialist head gets only 47 per cent of the company boss's cash rewards.

The contrast in differentials surely has implications if UK media pundits are right in attributing certain British chiefs' big increases to their ambition to convert their companies to the American pattern of executive pay. In that case, unless their boardroom colleagues are willing to be left far behind, it is an ambition they would do well to nip in the bud.

Michael Dixon

BANKING FINANCE AND GENERAL

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We have been instructed by the investment management arm of a major U.S. Bank to recruit a senior performance measurement analyst for a demanding and rewarding role within an expanding team. Responsibilities will range from the production of client reports and analyses to the development of new methods of performance measurement. The successful candidate will act as a focal point for the other team members, organising the flow of work and ensuring that reports are produced in a timely and efficient manner.

The ideal individual will be a numerate graduate, preferably with a quantitative background, aged 25-30, who is familiar with all aspects of performance measurement for both equity and fixed-income accounts on a multi-currency basis.

Strong verbal and written communication skills are of the utmost importance as is the ability to have confidence in presenting new ideas and the strength to lead the other team members.

This is a superb opportunity for candidates wishing to progress to a senior role encompassing management and technical skills within a challenging environment.

For further details please call Julie Byford or Joe Reilly on (071) 583 0073 (day) or (081) 579 5376 (evenings and weekends) or send your C.V. in complete confidence to: 16-18 New Bridge Street, Blackfriars, London EC4V 6AU. Or fax (071) 353 3908.

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Please write in the first instance quoting Ref. 022 to Caroline Magnus, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London, EC4R 1AD. Tel: 071 248 0355.

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Personnel Superintendent
Norwich Union Insurance Group
Surrey Street
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or ring Julie Piper on (0603) 683519 for an informal discussion.

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Please send full career details quoting reference A2761 to **Malcolm Lawson at Codd Johnson Harris, Human Resource Consultants, 12 New Burlington Street, London W1X 1FF** or alternatively telephone 071-287 7007 during the working day or 0444-483216 in the evenings.

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The appointment will command an attractive salary and the benefits package will include a subsidised mortgage and a car. If you have the experience and qualities required and wish to be considered for this appointment, please write - in confidence - enclosing a CV and details of current remuneration to Douglas Austin, Ref 7158. MSL International (UK) Ltd., 32 Aybrook Street, London W1M 3JL. Tel: 071-487 5000.

MSL International

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For a strictly confidential discussion regarding this position, please telephone or write to Susan Muncey at **FLA, 16 Old Bond Street, London, W1X 3DB. Tel: 071-491 3811.** Quoting reference 1329.

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To apply, please send career details, indicating salary, to Sara Greve, Personnel Officer, James Capel & Co. Limited, James Capel House, PO Box 551, 6 Bevis Marks, London EC3A 7JQ

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Please send details together with CV (quoting ref 2222) to

The Personnel Director
Unibank S.A.
Luxembourg - Findel
P.O. Box 562
L-2015 Luxembourg

All applications will be dealt with in the strictest confidence. No information about these posts will be given by phone.

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Commencing salary will depend on experience. The post carries a casual user car allowance. Generous relocation allowance where applicable.

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Applicants forms and further details can be obtained from the Personnel Officer, County Treasurer's Department, PO Box 2, County Offices, Matlock, Derbyshire, DE4 3AH. (Telephone 0629 580000 ext 7711). Closing date 19 June 1990.

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The position offers an attractive compensation package which includes a car and mortgage subsidy. If you would like to be considered please write in complete confidence to **Michael Thompson at John Sears and Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP** or telephone **071-222 7733** for a preliminary discussion.

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The remuneration package includes significant turnover bonus; benefits are excellent and working conditions attractive. Interested candidates should send a curriculum vitae in confidence stating a daytime telephone number and details of current salary to Anne Grant (Ref 119):

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M. Dan Sheffet, Eurocabinet
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For a strictly confidential discussion please telephone or write to Fiona Law or Robin Douglas at **FLA, 16 Old Bond Street, London W1X 3DB. Tel: 071-491 3811, quoting reference 1331.**

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Further particulars from, and applications in writing with cv (8 copies or, if posted overseas, one copy in a format suitable for photocopying) and the names and addresses of three referees to the Personnel Office, The University, Dundee DD1 4HN. Please quote appropriate reference number. Closing date: 29 June 1990.

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Please send replies and full CVs to A224, Financial Times, One Southwark Bridge London SE1 9HL

ACCOUNTANCY COLUMN

Fee fortunes for UK's reshaped industry

By David Waller

IT WAS only four years ago that Coopers & Lybrand surprised the profession by becoming the first accountancy firm to announce fees of more than £100m. As the table shows, things have moved on considerably since then.

The bigger firms are vast financial services organisations, while the former medium-sized firms are as big now as the erstwhile Big Eight were just a few years ago.

The mergers of last year have changed the shape of the British market: KPMG Peat Marwick has lost the dominant position it has held since 1987, to be replaced at the top by Coopers & Lybrand Deloitte.

For many of the big firms, growth in 1989-90 was every bit as good as it was in the previous year. Growth at Peat Marwick was 25.2 per cent, up from 20 per cent last year, while Price Waterhouse's fees climbed by an impressive 35.2 per cent against 24 per cent the year before. The Arthur Andersen success story continued, with 34.9 per cent growth following a 27 per cent increase in 1988-89.

Such growth rates are especially impressive given the shaky state of the British economy over the past year, the somewhat depressed state of the equity market and the financial services sector in general, to which the fortunes of the big firms ought to be in some way tied. And if aggregate turnover figures have grown, so have the more important fees-per-partner ratios (up by 48 per cent at Touche Ross, for example, and by 10-20 per cent for most of the big firms).

As in previous years, the strongest growth for most of the firms has tended to come from consultancy and so-called audit services, a category that includes all sorts of special work, such as corporate finance and investigations, as well as the unexciting business of auditing public companies. There was a 42.5 per cent increase in fees from PW's auditing division, and a 24 per cent increase at Coopers. On the consulting side, Andersen Consulting achieved growth of no less than 40 per cent.

The figures show signs that such staggering growth rates are not being enjoyed to the same extent by the medium-sized firms. For many, the rate of growth dropped (for example at Spicer & Oppenheim, where fees climbed by just 12 per cent in 1989-90, against 22 per cent in the previous year).

What the big firms must find disturbing must be the vigorous yet unhealthy growth enjoyed by their insolvency divisions (with fees up, for example, by 41 per cent at Cork Gully, the Coopers subsidiary). It remains to be seen whether the factors at work here – economic slowdown, the effect of punitively high interest rates on entrepreneurial spirit and so on – will ultimately affect the rest of the firms' business.

Rank	Firm	1989/90 (£m)*	Change %	Audit (£m)	Mgmt. Consultancy (£m)	Tax (£m)	Insolvency (£m)	Partners	Prof. staff	Prof. staff/partner ratio	Fees/partner ratio (£000)	Fees/total prof. staff ratio (000)
1	Coopers & Lybrand Deloitte‡	531.0	28.3	245.0	129.0	118.0	41.0	735	8,169	10.85	722.45	64.84
2	Peat Marwick McLintock‡‡/★	395.2	25.2	237.7	65.9	73.0	18.6	560	7,508	13.41	705.71	48.98
3	Ernst & Young‡‡‡/★	337.5	23.2	163.3	67.6	84.2	22.4	420	5,763	13.72	803.57	54.59
4	Price Waterhouse‡‡‡‡/★	300.1	35.2	127.5	85.0	73.6	13.8	421	4,496	10.68	712.83	66.74
5	Arthur Andersen★	194.1	34.9	56.4	85.5	44.7	7.8	187	2,518	13.46	1,039.6	71.87
6	Touche Ross†	169.5	21.7	83.9	39.2	34.9	11.5	247	2,862	11.59	686.20	54.50
7	BDO Binder Hamlyn★★	105.5	18.5	57.0	6.3	32.7	6.3	238	2,170	8.79	443.28	43.81
8	Grant Thornton★	102.5	19.2	48.4	4.3	25.9	12.5	249	2,072	8.32	411.65	44.16
9	Spicer & Oppenheim★★	93.2	12.0	41.0	19.2	23.6	8.5	187	1,799	9.62	493.58	46.48
10	Pannell Kerr Forster★★	76.2	20.8	45.8	4.5	17.5	5.9	222	1,789	8.06	343.24	37.89
11	Moores Rowland★★	57.0	15.4	24.0	2.9	17.6	2.1	226	1,465	6.48	252.21	33.71
12	Stoy Hayward††/★	58.8	22.8	30.8	9.8	11.6	6.8	120	1,150	9.58	490.00	46.30
13	Clark Whitehill★	53.7	29.4	37.1	2.7	10.8	0.3	230	1,487	6.47	233.48	31.28
13	Kidsons Impey†††/★★	53.7	103.4	NA	NA	NA	NA	189	1,421	7.52	284.13	33.35
15	Neville Russell★★	32.2	17.9	19.0	3.2	8.4	1.6	84	615	7.32	383.33	52.36
16	Robson Rhodes★★	29.3	14.5	15.0	1.7	7.6	2.3	73	593	8.12	401.37	43.99
17	Moore Stephens★★	29.1	14.6	12.9	7.2	7.6	1.4	122	694	5.69	238.52	35.88
18	Baker Tilly★★	22.9	15.1	10.7	6.4	4.9	0.9	57	400	7.02	401.75	50.11
19	Saferry Champness★★	12.6	20.0	NA	NA	NA	NA	38	259	6.82	331.58	42.42
19	Hacker Young★★	12.6	16.7	7.0	1.2	3.6	0.6	39	249	6.38	323.08	43.75
19	Finnies★★	12.6	14.5	NA	NA	NA	NA	49	274	5.59	257.14	39.01

NOTES: *net of recoverable expenses;‡result of merger between Coopers&Lybrand and Deloitte Haskins&Sells;‡‡includes Northern Ireland but excludes Channel Islands and the Isle of Man;‡‡‡result of merger between Ernst&Whinney and Arthur Young;‡‡‡‡excludes channel islands;†excludes Channel Islands and the Isle of Man;††includes UK MRI Associates;Moores Rowland's fee income was £31.31m;†††result of merger between Kidsons and Hodgson Impey(excluding results of Liverpool & Humberside partners who did not join the merged firm);★year/end 31.3.90;★★year/end 30.4.90; Cooper&Lybrand Deloitte y/e 28.4.90;Touche Ross y/e 15.4.90; NOTE: Audit fees in most cases include financial advice and related work; in some cases fee income split may not add to the 100% due to rounding and in some cases some of the income does not fall into any usual categories.

Research by Jan Schilling

ACCOUNTANCY APPOINTMENTS

Major Financial Institution

Planning and Systems Manager

Salary c.£45,000 + Car ACA/FIA/MBA

Our Client, the Investment Management arm of one of the country's largest institutions, is itself one of the major operators in its field. It is a considerable organisation in its own right, employing some six hundred people.

A Head of Finance Systems and Business Planning is now sought. He/she will report to the Financial Director and will assume responsibility for the development of existing Financial Systems and will help plan for the next generation. The person appointed will also be responsible for Business Planning and for Commercial aspects:- competitor and market analysis, and internal and external pricing etc.

This is a new role and is thought to be key to the development of the organisation. The person appointed will need to have gained experience of both Systems and Business Planning either in similar organisations, in a large scale PLC or in a professional management consultancy.

A particularly high degree of commitment is sought. Applicants will need to be graduates who have obtained Accountancy, Actuarial or Business School qualifications and who have relevant work experience. An age range of 28-34 is stated but this is not mandatory. The Company is based in Central London.

In addition to the salary stated they offer a car and a subsidised mortgage. If the appointment is successful further promotion can be anticipated in a three to four year time period.

Please reply in the first instance to Colin Barry, Managing Partner at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London, EC4R 1AD. Tel: 071 248 0355.

OVERTON SHIRLEY & BARRY

INTERNATIONAL SEARCH AND SELECTION

Impacting on the Bottom Line

FINANCE MANAGER

This market leader of a range of well-known consumer products is a major subsidiary (£300m turnover) of a large British multi-national group.

An essential part of the young management team and reporting to the Finance Director, you will be responsible for leading a significant department which provides accounting and management information support to Sales and Operations. In addition, you will be involved in the development of finance and operational systems geared to improving overall reporting quality and company profitability.

You will be a qualified accountant.

Previous experience of staff management and managing/implementing computer systems is essential. Crucial to this role will be the communication and leadership skills to influence your ... and motivate staff at various levels.

Individuals must be ... demonstrate the right balance of ... maturity and business acumen. Experience within a ... manufacturing ... would be advantageous.

There is an excellent track record of career opportunities, both within the client company and the wider group.

For further information please contact Shirley Knight BA MBA ACMA on 071-491 3431 or write to her at FMS, 14 Cork Street, London W1X 1PF, enclosing a recent CV and a note of current salary.

Middlesex Borders

+ car

FMS

Finance Director

Co. Durham c. £35,000 + car + benefits

Our client is a young, innovative company that has maintained its position at the forefront of its market since its inception in 1982. Renowned for the quality of its research and development, it designs and builds a range of highly advanced computer systems for a well-respected customer base in both the UK and the USA. Backed by two leading venture capital institutions, the company anticipates public flotation in or around 1993.

The Finance Director is part of the management team that sets the commercial direction of the company. He/she will take charge of a well-established accounts department which is led by a Financial Controller. As the company develops its markets, particularly overseas, the Directors are keen to encourage the fullest contribution from the finance function. A key feature of the job, therefore, will be to play a significant role in addressing strategic issues.

Candidates will be qualified accountants who should be able to demonstrate their ability to operate effectively in a smaller company environment. An attractive remuneration package, including share options, will be negotiated.

To apply, or for an initial discussion, please send a brief CV to, or telephone: Anthony Jones, Career Plan Ltd., 33 John's Mews, London, WC1N 2NS, tel: 071-242 5775 (081-348 3641 between 8.00 and 9.30 pm). Interviews may be held either in London or Co. Durham.

Career plan LIMITED

Personnel Consultants

PONT DATA

U.K. Company Accountant

City c£30,000 + car

Pont International, which encompasses 23 offices located across 14 countries, has built an impressive reputation for quality and service in the provision of real-time and historical information to the ever-changing financial services market. The UK subsidiary, Pont Data Company Limited, employs more than 100 people across three locations, including a prestigious research facility which is dedicated to ensuring that its products continually match market requirements.

The UK Company Accountant will have total responsibility for the provision of all elements of management and financial accounts for three subsidiaries as well as involvement in ad hoc projects. Reporting to the European Financial Controller, the Company Accountant will manage and develop a small, highly motivated accounts team.

To be considered for this important appointment candidates will be fully qualified accountants, aged between 25 and 35, who possess first class accounting skills, above average interpersonal skills and an evident commercial awareness. The ability to manage staff, to produce high quality information and to influence positively the continuing success of Pont Data Company Limited is essential.

Your contribution to that success will be matched by an appropriate salary package and the opportunity to develop your career in a sophisticated, international environment.

Please send your cv or telephone (071-495 7808) Sue Price, Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB, (Fax: 071-495 3011), quoting reference SP249.

Ernst & Young

SEARCH AND SELECTION

TREASURY PROFESSIONAL

Circa £20,000 + performance related pay + lease car

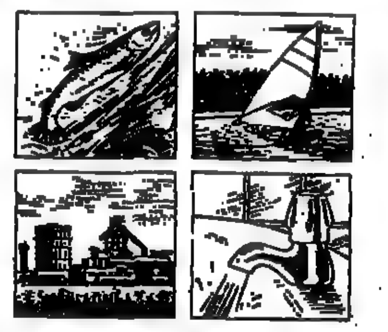
Northumbrian Water Group plc, is a recently privatised and highly successful water company, whose ongoing capital programme will exceed £100m in the current year alone.

The Group is now looking for a young, thrusting Treasury professional to fill a broad-based role in a small, highly motivated team.

Responsibilities will be wide ranging and will include an opportunity to influence the general development of the Treasury function. You will be part of the Senior Management team and will enjoy the benefits associated with a senior position, including a lease car, together with opportunities for personal development within a dynamic environment.

Probably aged between 28-35, and of graduate calibre, it is likely that you will be a member of the Association of Corporate Treasurers and have a broad experience of Treasury management gained against a corporate background.

You will be located at Gosforth, where the beautiful North East coast, impressive Northumberland countryside – and more attractive living standards – all lie within easy reach. Assistance with relocation will be given where appropriate.



NORTHUMBRIAN WATER GROUP PLC

CPCR HUMAN RESOURCE CONSULTANTS Success through people!

To apply please telephone or write enclosing full CV and salary details to Jim Cowan at: CPCR Limited, Eldon House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3PW. Tel: (091) 213 0990.

Director of Corporate Finance

with an emphasis on European development

West London c£50,000 plus executive car and benefits

Our client is a leading high technology manufacturer and distributor, listed on the Stock Exchange of Hong Kong. The group has grown rapidly since it was founded in 1974 and now has ambitious plans to supply its products into all European markets from a new, large UK manufacturing facility which is planned to be complete by the middle of this year.

The Director of Corporate Finance will be based at the new European headquarters in West London. The role will include a considerable level of mergers and acquisitions responsibility in a European context, from initial targeting to negotiation and implementation, and you will oversee the establishment of an infrastructure prior to the planned UK flotation.

A graduate FCA or MBA aged 35-40, the successful candidate will have previous experience of mergers and acquisitions and a first class record of financial management with City exposure.

A flexible, committed approach will be essential as will the ability to work effectively on an international basis.

It is intended that the competitive package will include share options in the near future.

Interested candidates should write enclosing a full CV and daytime telephone number quoting Ref 433 to: Nigel Bates FCA, Whitehead Rice Ltd, 43 Welbeck Street, London W1M 7PG. Tel: 071-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

FINANCIAL CONTROLLER
(Director Potential)

N Wales/Cheshire **c.£30K + car + benefits**

An expanding international company, engaged in the design, manufacturing and distribution of electronic control equipment requires a Financial Controller to be responsible for the financial control and financial reporting arrangements of the company.

This is a senior level appointment, and the post-holder will play a key role in presenting and analysing financial information to the Board, and in forecasting and evaluating the company's business plans. The person appointed will also review and develop financial accounting and computerised systems and controls, and will work closely with the company's Board of Directors in the implementation of budget setting and control and corporate planning. It is envisaged that the post-holder will join the Board at some point in the future. The post-holder will report to the Managing Director and will be responsible for the complete accounting function and staff.

The successful candidate will be a fully qualified Chartered Accountant, probably aged over 35, with at least ten years' experience of financial management in small or medium sized companies. The person appointed should have a sound knowledge and understanding of the roles of company secretary and financial controller, and must display a mature and diplomatic attitude, with a willingness to provide a "hands on" approach when required.

A generous remuneration is offered to reflect the importance of this position. This includes a package of around £30K, a company car, a non-contributory pension scheme, life assurance and private medical insurance.

If you would like to be considered for this position, please send your CV, including full career history and details of current salary, to Eleanor Morgan at the address below.

KPMG Peat Marwick Selection
Marlborough House, Fitzalan Court, Fitzalan Road, Cardiff CF2 1TE

FINANCE MANAGER

Develop your skills in an international marketing-orientated role
Thames Valley
c.£35,000 + car

THIS £100m-turnover consumer goods company manufactures and distributes a range of household-name products, many of them brand-leaders in their sector. As part of a $multi-billion US-owned group, the company enjoys the benefits of international marketing and R & D expenditure, with excellent prospects for further growth.

In this newly-created position, you will report to the Director of a major operating division with a strong marketing focus, and act as financial advisor to the management team. As number two to the Director, your key responsibility will be to participate actively in the running of the international businesses within the division. Specific duties will include assessing business development opportunities such as acquisitions and disposals, participating in the strategic planning process, and monitoring, analysis, and reporting of all financial information within the division. Close links will be maintained with the European head office, as well as the UK finance function.

Ideally aged 27-33, and a qualified accountant, you will have at least four years' experience gained in a multinational manufacturing or FMCG environment. Your high level of commercial awareness will be complemented by the interpersonal skills necessary to deal with a wide range of senior non-financial staff.

This is an exciting and challenging opportunity for an ambitious young accountant to join a leading international organisation. Career prospects are excellent and include a genuine chance to move into marketing or general management.

To apply, please send a brief cv in confidence to Patrick Johnson, Ref: 4374/PJ/FT, **PA Consulting Group**, Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 071-235 6060.

PA Consulting Group
HUMAN RESOURCES
Creating Business Advantage
Executive Recruitment · Human Resource Consultancy · Advertising and Communications

JOINT VENTURE AND TAXATION ANALYSIS
for finance professionals with oil & gas industry experience

Oryx UK Energy is the British subsidiary of one of the largest independent oil & gas producing companies in the world. Oryx has extensive interests in the US, Indonesia, Ecuador, Gabon and, of course, in the UK where we are a significant producer of oil gas and have exciting plans for the 1990s and beyond.

The Finance Department at our prestigious offices in Uxbridge encompasses the Controller's, Tax, Information Systems and Planning functions of Oryx UK Energy. It is here that we have two challenging opportunities in tax and financial analysis.

Taxation Specialist
c£40k + car + benefits

Reporting to the Financial Manager, you will be responsible for all Tax Planning and Compliance, encompassing Petroleum Revenue Tax, Corporation Tax, *Oil & Gas Royalties*, VAT and all other company related taxation matters.

Join Venture Analyst
c£35k + car + benefits

Reporting to the Financial Controller, you will primarily be responsible for the provision of accurate and timely financial information involving co-ordination and presentation of budgets and forecasts, joint venture accounting and reporting, representation of the company's interest in joint ventures, involvement in strategic planning and acquisition evaluation. You will also enjoy the opportunity to travel.

We wish to hear from either suitably experienced Finance and Tax professionals or from qualified Accountants with at least three years' experience in the North Sea oil industry. You should have excellent interpersonal skills and relish working in an environment where high commitment is properly rewarded.

Attractive salaries are enhanced by benefits including non-contributory pension, free medical and life insurance, employee share savings scheme and assistance with relocation where necessary. Career prospects are excellent.

Please telephone or send ,your c.v. to: Jill Fulton, Human Resources Adviser, Oryx UK Energy Company Limited, Charter Place, Vine Street, Uxbridge UB8 1EZ. Tel: Uxbridge (0895) 72525.

ORYX

DEVELOP YOUR CAREER IN OUR HIGH PROFILE DEPARTMENT

£24-£30K + car/car allowance
Huntingdon

The high profile our Financial Planning Department enjoys throughout Anglian Water is a considerable asset to any professional seeking a fast moving career.

Operating to exceptional standards of professionalism and 'customer care', we support a sophisticated business that is growing faster than any of the other newly privatised water companies.

Our region is also unique in being geographically the largest, supplying upwards of 5 million customers over 27,000 square kilometres of eastern England.

If you have the expertise and ability to take advantage of the excellent career prospects our size and rapid developments provide, why not join us in one of these key roles at Group Headquarters in Huntingdon?

TREASURY MANAGER

A qualified accountant or treasury specialist to manage all aspects of the Group's Treasury function.

This will include the development of short, medium and long term financial strategy, together with the day to day management of investment portfolios and cash/banking arrangements. *(Salary Indicator £30K + car)*

FINANCIAL PLANNING ACCOUNTANTS

Two roles calling for qualified and experienced accountants.

The more senior position involves leading a small team involved in developing medium and long term financial strategy for the Group. (Salary Indicator £27K + car)

The other will require playing an important supporting role in this process. (Salary up to £24K + car allowance)

Anglian Water Plc offers attractive employment benefits including personal accident, pension schemes (and, for senior posts, BUPA), up to 30 days' annual leave together with excellent career prospects. A generous relocation package is available in appropriate circumstances.

For further information, please call Andy Nield, Head of Financial Planning, on Huntingdon (0480) 433433 ext 3521. Alternatively, *send your cv to Barry Mardlin at the address below, or telephone* him for an application form on Huntingdon (0480) 443487.

Anglian Water Plc
Ambury Road
Huntingdon
PE18 6NZ

FINANCIAL CONTROLLER

Central London **ACA** **c£40,000**

Our client is a medium sized city firm of solicitors based in *Central London. The firm has established its reputation* in four principal departments: company/commercial, litigation, property and private client work. As a consequence of internal restructuring there is now a requirement for a Financial Controller to join the Finance department.

Reporting to the Director of Finance and Administration, your principal task will be to improve management information reporting systems. You will also be responsible for the preparation of financial and management accounts, budgeting, maintenance and development of the computer systems, liaison with external financial advisors and the supervision of 15 staff.

The role also includes responsibility for the reporting of the *firm's offshore practices.*

The ideal candidate will be a computer literate qualified accountant, probably aged between 30-35 with previous partnership accounting experience. You should also possess excellent interpersonal and communication skills.

Interested applicants should telephone Giles Daubeney on 071 437 0464, or write to him, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 071-437 0464

UK Financial Controller

c. £28K + Bonus + Car

SDRC is a leading international supplier of software and engineering consultancy services in the high-tech field of Mechanical Computer Aided Engineering (MCAE), used by major automotive, aerospace and industrial manufacturers for the design, analysis *and testing of sophisticated mechanical products.*

The company is looking for an accountant to take control of UK accountancy operations at its European Headquarters. The successful candidate will be responsible for all financial accounting, procedures and controls, systems development, and further enhancements of the recently introduced management information and accounting system.

This represents an excellent opportunity for a young energetic qualified ACMA/ACA to gain invaluable management experience and make a significant contribution within this highly successful and fast-growing company.

Please apply in writing to: Keith Heal at SDRC, Gunnels Wood House, Gunnels Wood Road, Stevenage, Herts SG1 2NW. Tel: (0438) 740088. Fax: (0438) 740064.

SDRC

Finance and Commercial Manager

Anglo-German Joint Venture ***North West based***
c.£24,000 + Car

This UK market leader has formed a recent partnership with a major West German Company to establish a new advanced technology operation. An £8M new plant is well on the way to completion as the Company takes the product out of the R&D phase into commercial production.

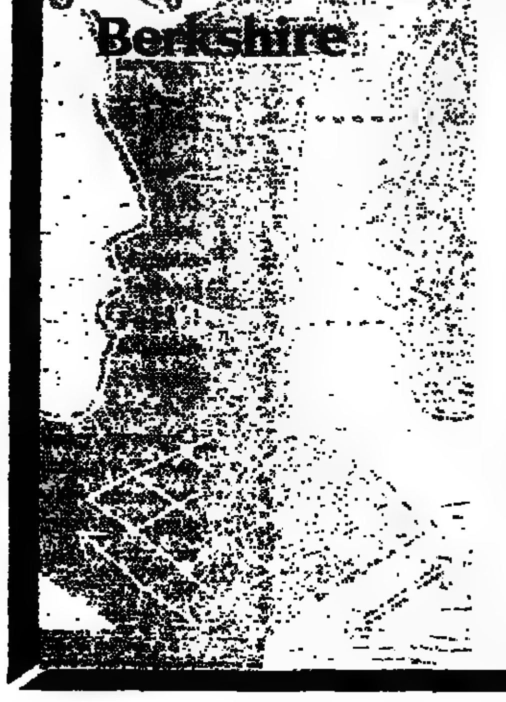
You will be joining a new Senior Management team with total responsibility for installing and developing the necessary business systems. Your professional management accounting experience will be coupled with a flair and ability to become fully involved in all the administrative and commercial aspects of this new business.

This is an excellent career opportunity with significant potential for further advancement both within the new joint venture as well as the parent group. *The excellent benefits package includes a fully expensed car and candidates should send a full cv quoting Ref: AR/194 to*

Derrick Franks,
March Consulting Group,
36-39 Waterfront Quay, Salford Quays,
Manchester M5 2XW.

MARCH
March Consulting Group
Manchester Windsor Coventry Edinburgh

Finance Director



Berkshire

£35,000-40,000 + share options

With a successful network of UK and European outlets, this well established independent retail company has already achieved sales of £10m and now offers a rare opportunity for career challenge and financial reward in a location providing outstanding quality of life.

This main board appointment will strengthen a small cohesive top management team and will play a key role in strategic and commercial decision making to fulfill this company's excellent potential for development. You will have full financial, accounting and IT responsibility.

You will bring a highly commercial outlook backed by significant retail accounting experience, preferably in a medium sized company. A strong and enthusiastic leader, probably aged 35-45, and a qualified accountant, you are ready for a board position and can demonstrate a successful track record of managing human, financial and computing resources.

Remuneration includes a good basic salary, car, pension, private medical scheme and participation in the existing share option scheme.

Please reply in confidence, giving full details of education, qualifications, *career and salary plus a contact telephone number and quoting reference* 1630 to Barbara Robertson MA, MIMC.

BDO CONSULTING
BDO Consulting
8 St Bride Street
London EC4A 4DA
Tel: 071 583 3303

WOULDN'T YOU RATHER WORK FOR A COMPANY THAT COUNTS?

FINANCIAL CONTROLLER
C. £30,000 + CAR

Providing customers with the very best financial counselling has, in three short years, put Lifetime, a Bank of Ireland company, into second place in the Irish life assurance market.

Now Lifetime is planning a major expansion into the U.K. life assurance market. A Financial Controller figures highly in our plans.

You will be responsible for all aspects of accounting procedures and controls and the production of relevant financial information. In addition the successful candidate will play a significant role as a senior member of the management team in reviewing and implementing business strategy and plans.

The successful candidate will have a professional accountancy qualification and at least three years relevant experience in a U.K. life office. A comprehensive benefit and relocation package is available.

If you wish to apply for this important career opportunity please send a comprehensive C.V. to:

MR. RUAIRI O'FLOINN,
DIRECTOR – U.K.,
LIFETIME ASSURANCE,
BANK HOUSE,
7 ST. JOHN'S ROAD,
HARROW,
MIDDLESEX HA1 2EE.

LIFETIME Assurance

LIFETIME IS AN EQUAL OPPORTUNITIES EMPLOYER AND AN INDEPENDENT COMPANY WITHIN THE BANK OF IRELAND GROUP.

Financial Controller

Somerset — **To £35,000 plus package**

Foster Yeoman is a very well known name in the UK aggregates market, for a number of reasons. It is fiercely independent. Since 1986 it has pioneered and financed a two billion tonne site at Glensanda in Scotland, and its Torr quarry in Somerset is the largest in Europe.

This expansion has led to the restructuring of the Finance Department and to the creation of the new role of Financial Controller, which will report to the Group Finance Director.

Based at the Company's Head Office in a magnificent, completely restored Georgian country house near Frome in Somerset, you will be expected to make your mark on all parts of the financial function, eg improved quality of control and reporting, extended applications for powerful recently purchased hardware, better use of resources etc.

Candidates should be aged 30-35, qualified, computer-literate, and familiar with contracting/process/light manufacture. Equally important, you must have the personality which naturally suits you to a "small company" environment, though the business is very substantial (c.£100m). Full removal expenses will be reimbursed.

Please reply in strict confidence to:
Peter Wilson, FCA, Director, Management Appointments Limited, (Executive Search and Selection), Finland House, 56 Haymarket, London SW1Y 4RN. Telephone: 071-930 6314.

MAL
Management Appointments Limited
LONDON • PARIS • MILAN • NEW YORK

Finance Director

Greater Manchester — **to £40,000 + Car + Bonus**

Our client, a major subsidiary of a leading quoted financial services group, is engaged in a range of businesses which includes consumer credit, retail and home shopping. The company has grown organically and by acquisition and now employs 2000 staff, has revenue of £70m, and a national network of outlets. Due to recent growth and internal reorganisation they now seek a commercially minded Finance Director.

Reporting to the Managing Director, the successful applicant will play a significant role in the direction of the business during this important stage of the company's development. Responsibilities will encompass the full range of finance and accounting activities including the continued development of sophisticated management information and control systems.

Candidates are likely to be graduate accountants, aged 30-40, who can demonstrate commercial expertise, together with a sound technical background and a team orientated, hands-on management style. Drive, enthusiasm and the capacity for hard work are essential attributes. Most importantly, candidates must have the capacity to become involved in strategic matters, influencing profitability and growth. Previous exposure to a branch based environment, although not essential, would be preferable.

Opportunities for progression within this Northern based group are excellent.

Interested applicants should write to Sandy Bell at Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ, or telephone him on 061-228 0396, quoting ref: 11079.

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

REGIONAL RECRUITMENT CONSULTANTS
– DIRECTOR POTENTIAL –
For Major Expansion in UK

Birmingham, Leeds, Manchester Liverpool and Nottingham — **Substantial Package + Car**

ASB Barnett Kinnings plc became a USM company last Monday, 4th June. Bob Holt joins the Group as Chief Executive on 1st July and brings with him extensive experience in mergers and acquisitions gained at ADT and Blue Arrow. At Blue Arrow, Bob held the position of Corporate Development Director, and is currently Chief Executive of Tottenham Hotspur plc. It is the Board's intention to significantly grow the business organically and by acquisition both in recruitment as well as in other areas such as training.

Our Recruitment Division consists of ASB Recruitment, one of the top Accountancy Recruitment specialists in the UK, and Barnett Kinnings, which handles non-financial appointments. To grow both businesses further, we require additional high-calibre recruitment consultants to help in our quest to become National and then European niche players.

We expect to benefit significantly from the investment that is being made in us. Opportunities will come not only with new office openings, but also through acquisitions. If you are ambitious and want to explore these options, then please contact Lawrence Bennett, on 061-834 0618 quoting ref. M392.

ASB
ASB RECRUITMENT LTD

Amethyst House, Spring Gardens, Manchester M2 1EA. Tel: 061-834 0618
Fax: 061-832 9123

Also at: Birmingham, Leeds, Liverpool, and Nottingham

A Division of ASB Barnett Kinnings Plc

ACQUISITIVE TV GROUP
LONDON
c£35,000 + CAR + BENS
RECENTLY QUALIFIED ACCOUNTANT

Part of the ITV network, our client has long been an innovative force in UK broadcasting. The long list of awards it has received – for drama, documentaries, the arts, news, current affairs, education, religious broadcasting and childrens programmes – covers the whole creative spectrum.

Today, our client is much more than an award winning regional television company. It is an international communciations group which has successfully pursued a policy of progressing beyond its core business by building on its proven skills through acquisition and organic growth.

Based in London, this outstanding opportunity has arisen within the group's international division. Reporting directly to the Group Chief Executive, the Chief Accountant will form part of a close knit high profile management team. Responsibilities will include the initiation and execution of business strategy which will encompass identifying and reviewing of potential acquisitions. Other duties will incorporate establishing sophisticated management information systems and maintaining communication with senior executives at group level.

Aged to 33, the successful candidate will be a qualified accountant with a minimum of two years commercial experience. Strong commercial flair combined with the ability to inspire confidence are prerequisites. A keen interest in television and media affairs would be a considerable advantage.

*To discuss this position in greater detail, contact **Jon Vonk** or **Jacqueline Long** on 071-629 4463 (evenings/weekends on 04868 28471) or fax your details to 071-491 4705.*

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS
Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel: 071-629 4463

GROUP FINANCIAL CONTROLLER

North East London — **to £30,000 + car + benefits**

Our Client is a successful and expansion orientated group of companies manufacturing and distributing food products, and with a current turnover in excess of £15 million.

This appointment requires a qualified and energetic person, possessing strong organisational abilities, who will relish the opportunity to work in a dynamic environment. Reporting to the Managing Director this will be a key appointment and will play a full part in the continuing development of the Group.

The remuneration package includes a company car, non contributory pension scheme and the opportunity for future career development.

Candidates interested in this challenging opportunity should write enclosing a current cv, quoting ref FT/265 to Ray Diamond.

Withers Diamond & Wood Brigdale Ltd.
Recruitment Advertising
36-38 Mortimer Street, London WIN 7RB. Tel: 071-255 3063. Fax: 071-255 3125.

OMV FINANCE DIRECTOR

The opportunity to hold a key executive role with an international oil company at the outset of its operations

OMV (UK) LIMITED, the UK affiliate of the Austrian oil, gas and petrochemical company OMV AG, is committed to building a balanced portfolio of licensed interests in the UK Sector through a combination of acquisitions, farm-ins and Licensing Round applications. Success in the 10th and 11th Offshore and in the 3rd Onshore Rounds together with the proposed acquisition of its first producing interests, position the company for continued expansion and an exciting future. As a result, the key role of Finance Director is now available.

This is a highly visible and influential executive role within the company, involving liaison at all levels of management both internally and externally.

Reporting to the Managing Director, you will be responsible for the total finance function including accounting, tax and short and long term cash management, as well as directing the company's administration activities.

The successful candidate will have an in-depth knowledge of financial and managerial accounting systems, as well as a thorough appreciation of the UK North Sea tax regime. You will also have the ability to contribute to the future corporate strategy and development of the company.

You should be a qualified accountant with significant post qualifying experience gained in an oil company environment and exposure to joint interest accounting in a UKCS Exploration and Production Company would be an advantage. Good communication and organizational skills and the ability to direct and motivate staff are prerequisites.

The reward package for this London-based position is excellent and includes fully expensed company car, non-contributory pension scheme and private medical cover.

To apply, please write with full CV, *including salary details*, to: **David Lloyd, SMCL Oil & Gas, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP. Tel: 071-222 7733. Fax: 071-222 3445.**

SMCL

Group Treasurer

Chiswick Media/Publishing

c£40,000 + Car + Share Options

Our client, a highly rated, quoted UK Group, is a very profitable international media and publishing concern with a current turnover approaching £100m. The Group has an impressive record of growth which has been achieved organically and through acquisitions both in the UK and overseas. This growth has created the need to appoint their first Group Treasurer.

Reporting to the Group Financial Director the role will have responsibility for the Group's cash management, acquisition financing and the control of working capital and interest and exchange rate exposures. Maintaining, extending good bank relationships, developing systems and implementing pan-European banking will form integral parts of this challenging role. Some overseas travel will be necessary.

Candidates should be of graduate calibre, age indicator 30 to 35 years. An accountancy and/or ACT qualification would be preferable combined with treasury experience gained at a senior level within an international organisation. A working knowledge of French and German would be an asset. The ability to operate in a dynamic and expanding Group is essential.

Please telephone or write enclosing a full curriculum vitae quoting ref: 424 to:

Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 071-839 4572

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

Tax Consultancy

International Practice

Reputation, Career Development and Reward
c£50,000 plus car

As a tax specialist you are now looking for that rare opportunity to truly satisfy your highest aspirations by working with a quality team, enhancing your range of skills and receiving one of the best remuneration packages currently available.

Our client is a major firm of chartered accountants with a global reputation founded upon technical excellence and the international scope of its tax consultancy advice. Furthermore, it is organisationally sound with a strong record of organic growth set to continue throughout the 1990's.

The firm's philosophy is to maximise the potential of its main asset — its people — and able individuals are given every opportunity to find the quickest route to the top.

For a strictly confidential discussion please telephone or write to Stephen Bromley at, **FLA, 16 Old Bond Street, London, WIX 3DB. Tel: 071-491 3811, quoting reference 1332.**

FLA
SEARCH, SELECTION AND CONSULTANCY SERVICES

FINANCIAL PLANNING MANAGER

CENTRAL LONDON

TO £32,000 + CAR

A principal player in the DRINKS and LEISURE RETAILING SECTOR, and with many of Britain's highest profile brands in their portfolio, my client is committed to enhancing their market position through, inter alia, continued attention to strategic planning and analytical procedures.

As an integral part of this policy they wish to add to their senior finance team in the form of a commercially astute, professionally qualified accountant, ideally with experience in a classic FMCG environment. The role of Financial Planning and Analysis Manager will encompass a wide ranging brief to include the ongoing development of planning and forecasting techniques, to provide financial input to the Sales and Marketing Divisions in determining promotional budgets, pricing levels etc, and to control and report on cash flow and expenditure.

In addition to the requisite technical expertise, the successful applicant will need both the imagination and presence to build a co-ordinated team and to influence day to day decision making in a highly competitive, fast moving marketplace.

All in all an excellent opportunity to contribute to the continued success of a highly profitable and colourful 'blue chip' operation.

Please contact NEIL J HINWOOD on 071-829 8863, fax 071-408 0961 or write to him at the address below.

BOND ACCOUNTANCY
RECRUITMENT CONSULTANTS
BOND HOUSE, 19-20 WOODSTOCK ST, LONDON W1R 1HF Tel: 071-829 8863

ACQUISITIONS MANAGERS

Building a European Business

Cambs/Lincs border — Package £35,000 to £45,000 + car

This major British plc is in a dynamic and highly competitive consumer market place. It has an impressive growth and profit record. The Group has a clear strategic vision to reach a premier position in Europe by the mid 1990s. Attaining the high level of growth required will be achieved largely through an aggressive acquisition programme.

The commitment to growth in Europe by acquisition necessitates appointing acquisitions specialists to join the small team reporting to the Corporate Development Director. These Acquisitions Managers will cover the full process from initial assessment to negotiating the deal and ensuring the subsequent integration into the Group. This will include travel in Europe.

Candidates must be ambitious graduate chartered accountants aged around 30. They should have track records showing increasing responsibility and experience of acquisitions as an advisor or principal, gained with a blue chip corporation or large CA firm. Commercial judgement, the ability to progress many acquisitions at varying stages and well rounded interpersonal skills are essential.

A package reflecting experience will be negotiated and commitment to both Group and your own success will ensure excellent career prospects within the existing Group or an acquired business.

Please reply in confidence, giving concise career, personal and salary details to Michael Fahey, quoting Ref. L487.

Egor Executive Selection,
58 St. James's Street
London SW1A 1LD (071-629 8070)

EGOR EXECUTIVE SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

Financial Accounting Manager

City — ***c£35,000 + benefits***

Our client is a UK recognised bank and provides traditional tailored financing and trading facilities for financial and commercial customers.

An opportunity has arisen for a qualified accountant with some two years post qualification experience in a financial institution to act as the number two within the accounting group of a dozen people. The successful candidate will be required to work closely with senior management in managing change through the development and implementation of systems, covering management accounting, regulatory requirements, together with financial and taxation matters.

Likely candidates, probably in their late 20's, with a strong academic background, will have the confidence and maturity to realise the potential of this position.

Applications, in confidence, may be made quoting reference: MH 202.

Rochester Recruitment Ltd, 10th Floor, Garrard House, 31-45 Gresham Street, London EC2V 7DN

Tel: 071-600 0101 **Fax: 071-796 4255**

ROCHESTER
International Search & Selection

FINANCIAL CONTROLLER

London — £35,000 + car

This rapidly growing subsidiary of a major U.S. financial services group, was set up in London only 3 years ago. It has already established itself as a major player in the U.K. securities clearing market and has built up a high level of international business. Its aim is to be the undisputed European number one through the 1990's.

As part of these plans, the senior management team is being strengthened. A new Chief Financial Officer has recently been appointed and he now wishes to recruit a Financial Controller to work closely with him. This is a key role, managing a department of ten staff. The brief will be to establish and maintain the highest standards of financial reporting and control, to improve the quality of management and cost information and to build a highly motivated and professional team.

This role will appeal to qualified accountants with a minimum of three years' PQE, who have the ability to instigate change and make things happen. You are likely to be in your 30's and currently working as a line financial manager or an audit manager. You should be confident in the use of PC's and attracted by a multicurrency environment. Previous experience in financial services while useful, is not essential. The company places greater emphasis on strong people management skills, commercial awareness and sound accounting abilities. The role carries with it an attractive salary and benefits package and real scope for career growth.

Please reply in confidence, giving concise career, personal and salary details to Paul Carvosso, quoting Ref. L501.

Egor Executive Selection,
58 St. James's Street
London SW1A 1LD (071-629 8070)

EGOR EXECUTIVE SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

Financial Controller — Director Designate

Team Building in a Growth Environment

Home Counties — c. £35,000 + Bonus + Benefits

Our client is a leader in the supply of office consumables, equipment and furniture. Future growth and profitability demand strong management action to focus team effort and the development of financial systems for the 1990's that will maximise the use of resources. With a multi million pound turnover and in excess of 300 employees, strong financial control is essential for success.

Acquisitions have resulted in the need to consolidate financial and management control systems, and to implement change. Reporting to the Chief Executive, your first tasks will be to review existing systems and define and implement improvements. With autonomous responsibility for all aspects of financial control, you will make a full contribution to general management and the corporate development of the company in a demanding role, and achieve a directorship within 18 months.

At least in your late 20's and an ACA or ACIMA, you must have had responsibility for financial management in a customer oriented organisation and experience in developing computerised accounting systems, preferably with exposure in a sophisticated distribution environment. Successful in managing change, you will have a track record that demonstrates a tough, self starting style, well developed inter-personal skills and practical problem solving ability.

Earnings as indicated, big company benefits include performance related bonus and executive car. Relocation assistance is available, if required.

Please write, with full career details, to Peter Thomas, Ref. 25256 MSL International, Quadrant Court, 50 Calthorpe Road, Edgbaston, Birmingham B15 1TH, or telephone 021-454 8864 for a preliminary, informal discussion.

MSL International

ACT

GROUP COMPANY SECRETARY

Birmingham — Package up to £35,000+Car+Plc Benefits

The ACT Group plc, formerly Apricot Computers plc, is one of the UK's largest dedicated software and service Groups and at the forefront of the Information Technology market. Following a radical programme of restructuring, which has included the sale of its hardware division and substantial acquisitions in software and services, the Group now comprises 5 profitable businesses in the high growth areas of computer software and services. It is against this background of innovation and opportunity that the Group is seeking to appoint a Group Company Secretary, based at its headquarters in Birmingham.

Reporting to the Group Finance Director, your responsibilities will be broad, embracing all statutory obligations relating to Group records and returns and Stock Exchange requirements. In addition, you will be responsible for the monitoring of shareholder investment, the Group pension scheme, property investments, insurances and related legal and administrative services.

This challenging senior post requires a professionally competent individual with exceptional personal qualities. Previous company secretarial experience is sought, preferably obtained within a dynamic service-orientated environment. Candidates should have a company secretarial, legal or financial qualification. Of key importance is a demonstrable record of achievement, reflecting dedication and reliable and accurate reporting. This is a "hands-on" role and will only suit those who seek practical involvement and responsibility. Prospects for personal and career development are excellent.

For a position of this nature, the Group offers a competitive salary package including executive car, share options, health insurance and pension plan along with life insurance.

Applications should be submitted in writing, enclosing full career and salary history, quoting reference B/288/90, to David Gibbs.

KPMG Peat Marwick Selection
Peat House, 2 Cornwall Street, Birmingham B3 2DL

Finance Manager

South Birmingham

Substantial Package + Car

Our client is the UK subsidiary of a German based international group engaged in the design and manufacture of high quality automotive electrical and electronic components.

The UK subsidiary commenced trading in 1989 and will be manufacturing its first components from its recently completed factory and offices during the latter half of 1990. The company confidently forecasts turnover to grow to in excess of £8m per annum by 1993, supplying an established customer base, which includes all the major European vehicle manufacturers.

You will, as Finance Manager, work closely with the General Manager and the closely knit management team in formulating strategy and implementing the necessary systems and controls to steer a rapidly expanding new manufacturing operation in its formative years. Since the company has operated to date purely as a design and sales operation, you will need to assist in the recruitment of the balance of the finance and administration positions as they come on-line.

The successful candidate will be a qualified accountant with a background in manufacture and the management of change. Whilst the language of the group is English, some knowledge of German is desirable – and its development will be encouraged and supported by the company.

Given the dynamic nature of this important appointment, the company is offering a substantial package which, for the right individual, will not prove a problem.

Interested candidates should contact **Oliver Howl BSc ACA at Michael Page Finance, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST,** enclosing a current curriculum vitae and quoting reference **OH 109.**

MP

Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham

Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Group Financial Controller

London West End

c£35,000 + Car + Bens

Our client is a broadly based property investment company with significant interests in the property development and house-building sectors. The Group has demonstrated an impressive financial record over the past five years with 1989 rental income of £11 million on a property investment portfolio of over £200 million.

Our client seeks to appoint a Group Financial Controller to maintain and improve the financial controls and systems as the Group embarks on its objective of expansion through organic growth and acquisition.

Reporting to the Finance Director, the Group Financial Controller will head up the ten strong Head Office team and will be responsible for the reporting and control of the Group's financial, statutory and management accounts, over-seeing rent collection, monitoring and actively controlling the Group's cash position, supervising tax-related activities as well as providing ad hoc project support to the Finance Director.

The successful candidate will be a qualified ACA/ACCA, aged 30-40 years old and is likely to have had a minimum of five years post qualification experience with at least some exposure to the property/house-building sector. Specific experience of property investment and development and/or house building would be an advantage.

Candidates must be able to demonstrate a professional and mature approach to their career in the light of the desire to maintain stability within the Group. In addition, candidates must be able to quickly integrate into a small team environment and have the confidence and ability to make decisions on their own.

Interested applicants should write enclosing a full curriculum vitae to **Liam Dowds** at **Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH** or alternatively fax their details to him on **071-831 2612.**

MP

Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham

Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Portfolio

FINANCIAL CONTROLLER

West End

£27,000+car (BMW)

- PR Consultancy
- 1-3 years PQE
- Tremendous Growth

This leading PR consultancy requires a confident, adaptable qualified accountant to give financial and commercial input to the regional operating companies of the Group. Reporting to the Chairman, the candidate will spend two to three weeks a month working from these operating companies. The remaining time will be spent at the company's headquarters in the West End with the scope to provide "added value" services.

Please contact **Mark Jones** on **071-836 9501** quoting Ref. FT7690/A.

FINANCE MANAGER

City c. £30,000+car

- Financial Publishing
- Strong Management Skills
- Excellent Prospects

This financial publishing and information services group requires a high-calibre qualified accountant aged up to 32 with 2 to 4 years commercial experience. The company has a professional yet friendly style and is looking for an individual with strong management ability to head up a department of 14 staff. Prospects are excellent for the candidate with the required blend of personal and technical skills.

For more information please contact **James Duthie** on 071-836 9501 quoting Ref. FT7690/B.

FINANCIAL ACCOUNTANT

South West London

up to £25,000+car

- Film Industry
- Attractive First Move

Our client seeks a newly qualified ACA who wishes to make a first move into an exciting, creative environment. Working closely with the Group Financial Controller you will be responsible for the financial reporting function together with project work involving production costing. This is an ideal opportunity for someone who wishes to join a famous film company. Prospects are excellent.

Please contact **Denise England** on **071-836 9501** quoting Ref. FT7690/C.

MANAGEMENT CONSULTANCY

London and Home Counties

£25,000-£40,000+car

- ACA/ACMA/ACCA/IPFA
- Blue chip background
- Graduate
- Age 26-34

A number of leading accounting-based consultancies require commercially-minded accountants to join their financial management teams. Computer literate individuals with a strong track record should send their CVs to **COLIN VASEY**, Douglas Llambias Associates Limited, 410 Strand, London WC2R 0NS, quoting Ref: FT7690/D.

ANALYST

Central London

£30,000+car

- International Group
- High Profile Role
- ACA/ACCA

This European organisation with operations throughout the world is seeking a bright qualified accountant aged up to 32 to become involved in presenting business information. The role will include liaison with senior line Managers, economic evaluations and systems development work, as well as business analysis. Excellent prospects for career development.

Please contact **Liz Osborne** on **071-836 9501** quoting Ref. FT7690/E.

FINANCIAL ANALYST

West End £28,000

- 50% Project Work
- N/Q ACA
- Non-Reporting Role

A bluechip international group with diverse business interests seeks a newly qualified ACA to join the Group Project team. The work is divided equally between commercial analysis and projects (acquisitions, investments etc). Candidates must be bright graduates with proven experience of ad hoc projects and ambitious for a fast track career.

Please contact **Pippa Curtis** on **071-836 9501** quoting Ref. FT7690/F.

071-836 9501

DLA DOUGLAS LLAMBIAS

20 YEARS

PUTTING THE RIGHT PEOPLE IN THE RIGHT JOBS

Douglas Llambias Associates, FREEPOST, 410 Strand, London WC2R 0BR.

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A Financial Accounting role that gives you room to develop

Package to £35K + Car

Healey & Baker has built an international reputation in Real Estate Consultancy based on its active daily involvement in the world's property market.

Recognising the importance of a sound and efficient financial accounting base to our continued success, we currently wish to expand this department with the appointment of a Financial Accountant.

In this newly created position you will be given the challenge of developing your own role, recognising and addressing the relevant issues quickly and effectively.

Reporting directly to the Financial Controller, you will manage the six strong finance team on a day-to-day basis, with responsibilities for such areas as budgets and cashflow, maintaining ledgers for various partnership companies and liaising with auditors and partners on a wide range of financial matters.

At a more strategic level, you will identify ways in which the payroll operations may be improved and play a major role in the enhancement of our accountancy computer systems.

The role offers outstanding long-term career opportunities for an individual aged 28 to 40, with experience of either Partnership and/or Property Accounting and who is preferably ACA, ACCA or ACMA qualified. The rewards are excellent too.

To find out more contact Mr. N. van Dorp, Director, Human Resources, Healey & Baker, 29 St. George Street, Hanover Square, London W1A 3BG. Telephone 071-629 9292.

HEALEY & BAKER

Amsterdam · Brussels · Channel Islands · Düsseldorf · Glasgow · London · Madrid · New York

GROUP FINANCE DIRECTOR

Midlands

c. £60,000+Share Options+Bonus

A challenge exists to play a major role in the on-going growth of a Midlands based House Builder and Construction Company.

Enhanced by a first-class reputation, the Company are keen to maintain momentum in their plans for growth. Central to this goal is the recruitment of a Finance Director.

As a senior decision making member of the Board, you will work closely with the Chief Executive, ensuring that the financial and management information generated is sufficiently sophisticated for future plans.

To succeed in the role you must have a strong personality coupled with a high degree of commercial acumen and drive. This is a fast moving environment and you must have the necessary inter-personal skills to work alongside a team of "straight-talkers".

In essence the role revolves around the provision of prompt and pertinent information, focusing on the analysis and evaluation of areas which call for immediate attention and action. You will bring to the position, a forward-planning and proactive approach.

Applications are invited from qualified Accountants able to demonstrate a "hands on" style of management and work closely with disciplines other than just finance.

Experience of the house building and construction industry would be an advantage, however, of more importance is experience of a fast-moving entrepreneurial environment.

The package offered will not be a barrier to the appointment of an appropriate candidate.

Please write, with comprehensive curriculum vitae and salary details, to Steven French quoting Reference B/286/90.

KPMG Peat Marwick Selection

St. Nicholas House, 31 Park Row, Nottingham, NG1 6GR. Telephone: (0602) 483444

FINANCE DIRECTOR

£27,000 -£33,000 + Car

Humberside

Our Client is the UK leader in the manufacture, marketing and distribution of resin outdoor furniture to major DIY retailers. The company has a successful, profitable track record, doubling turnover in two consecutive years to £13.5 million. Further expansion, supported by a leading venture capital house, is planned in this growing market sector.

The immediate task will be to review existing financial reporting systems and controls, introducing improvements as necessary. An integral part of this review will include the installation and monitoring of a new computerised accounting system. The job holder will also represent the company externally to financial institutions and regulatory bodies, and play a key role in strategic planning.

Candidates will be aged 30+, qualified Accountants with a background in manufacturing. The character to maintain tight financial control of the key indicators in an expanding, fast moving and demanding environment is as important as the ability to establish accounting systems and to promote change.

Please apply directly to Martin Loughney at Robert Half, Freepost, Gresham House, 7 St Paul's Street, Leeds LS1 2XQ. Telephone: 0532 428978, or evenings on 0943 461299. Alternatively, fax your details on 0532 421938.

Financial Recruitment Specialists

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RH ROBERT HALF LEEDS

A BUSINESS APPROACH

MANAGEMENT ACCOUNTANT

Based South Coast

Our client is a service business with an annual budget of £5 million. They serve a broad and complex range of customers with everything from management consultancy to sophisticated IT support.

As their business has developed so has the need for a Management Accountant to advise the Management team.

In addition to providing financial comment and advice on existing services, this important position will involve a major contribution to the costing, implementation and marketing of new ideas. There is excellent scope for a broader management role for a creative, open minded and diplomatic professional.

A qualified Accountant (only exceptional and experienced, part-qualified candidates would be considered) is needed who can demonstrate a strong character (current management hold some firm ideas) and the ability to provoke change.

Salary is c£23K plus a leased car scheme, generous mortgage subsidy and relocation package to this delightful part of the South Coast, an excellent quality of life plus other benefits.

To discuss the position call Mike Beer at Bartlett Selection on 01-490 1155 (answering service after working hours). Or write to him enclosing a full CV, quoting reference FT0684/MB at Bartlett Selection, 2/3 Charterhouse Square, London EC1M 6BJ.

BARTLETT selection

Bartlett Selection Limited, 2/3 Charterhouse Square, London EC1M 6BJ. Telephone: 01-490 1155. Fax: 01/253 3397.

WEST OF LONDON — to £35,000 + CAR

Financial Controller

Our client is a forward looking and expansion minded quoted Industrial Holding Company. It has an established strategy of acquiring specialist manufacturing companies, enhancing their performance and turning them into UK market leaders. Its subsidiary companies include a number of household names.

Reporting to the Group Finance Director, you will be expected to make a major contribution to the overall financial management of the group. You will work closely with operating managers, to identify and implement opportunities to enhance company performance and profitability, whilst ensuring and securing financial control.

You will be a graduate qualified Accountant, in your early 30's, with sound experience in an industrial environment. You should have strong technical and business skills and be proficient in oral and written communication.

A confident manner and an ability to work at both detailed and strategic levels with subsidiary and group management are essential qualities.

Please send full personal and career details, including daytime telephone number, in confidence to *Mark Spickett, Coopers & Lybrand Deloitte* Executive Resourcing Ltd, 9 Greyfriars Road, Reading RG1 1JG, quoting reference AE822 on both envelope and letter.

Coopers & Lybrand Deloitte — Executive Resourcing

European Financial Analyst

International Software

£28-£32,000 + Excellent Benefits — SW London

Exceptional development opportunity for a bright and ambitious young accountant to utilise and hone commercial skills in a proactive and demanding role for a successful US multinational. Good base salary with bonus, car and full benefits.

THE COMPANY

◇ European subsidiary of leading international software company. Outstanding range of database and office automation tools. Sector market leader.

◇ UK based European Headquarters. Country based operating companies throughout Western Europe.

◇ European revenues circa $80m. Profitable and rapid growth in a competitive market.

THE POSITION

◇ Broad based commercially-orientated role developing and enhancing the quality of financial reporting and management information systems throughout Europe.

◇ Tasks include business and investment analysis, forecasting, budgeting, treasury and supervising consolidations.

◇ Significant liaison with country Financial Controllers. Some travel.

QUALIFICATIONS

◇ Committed, creative and energetic accountant with excellent technical skills, systems knowledge and business acumen.

◇ At least 2 years' post qualification experience in industry, ideally in a Europe-orientated, US GAAP environment.

◇ Stature to operate at senior level. European languages and/or experience an advantage.

Please write, enclosing full cv, Ref SJ2203
Orion House, Grays Place, Slough, SL2 5AF

S — N

SLOUGH • 0753 694844
LONDON • 071-493 6392 • BIRMINGHAM • 021-233 4656 • MANCHESTER • 061-905 1458
GLASGOW • 041-204 4334 • HONG KONG • (HK) 5 217135

INTERNATIONAL OIL INDUSTRY

TAX ADVISORS

London based

Sun International Exploration & Production Company Limited, with its worldwide base in London, pursues an aggressive oil and gas exploration programme throughout the world.

Due to recent career development moves and expansion we have identified two additional posts in our busy Tax Department.

SENIOR TAX ADVISOR

This wide-ranging role is primarily concerned with US and international tax planning covering all aspects of our operations outside the UK and North America. Responsibilities will also include the coordination of US tax planning and compliance work with Corporate Headquarters in the US.

This is a senior appointment and the candidate needs to have a recognised accountancy qualification coupled with at least five years' experience of work of this nature in the oil industry.

TAX ACCOUNTANT

This career development role is concerned with providing support for the UK oil tax return process. Specifically you will be responsible for the preparation of PRT and CT returns to be submitted to the Oil Taxation Office with opportunities also to be involved in tax planning exercises, developing ideas for optimising the company's tax position.

Candidates should be part or fully qualified accountants with up to two years' experience of this type of work in the oil industry.

Both positions will carry a competitive salary and the type of excellent benefits you would expect from an international oil company. For the senior role there will be a fully expensed company car.

If you believe your experience and qualifications match our requirements then please send your CV and covering letter to Chris Rogers, Sun International Exploration & Production Company Limited, Sun Oil House, 80 Hammersmith Road, London W14 8YS.

SUN

Sun International Exploration and Production Company

Group Accountant

A Corporate Role For A Young High Flyer

Central London,

c £30,000, Car

The group is a major force in UK retailing, widely admired for its ability to produce excellent results whatever the economic climate. The fundamental element behind their superb track record is the high calibre of the senior management team. These senior executives rely heavily on the quality of financial information produced at the centre for their commercial decisions, therefore this is a key role. A recent re-structure has resulted in this opportunity, which reports to the Group Chief Accountant.

You will be responsible for consolidation of operating company results and production of reliable, timely financial information. The scope is wide covering weekly, monthly and annual reports, budgets and board papers. A graduate, qualified accountant, you will have 1-2 years post-qualification experience, including consolidations and taxation work. Ideally this will have been gained in a blue chip plc.

This is a demanding position in a stimulating environment. Your colleagues will be some of the brightest, most able finance people in commerce. You will be fully accountable for the information produced and have contact with Group Directors, whose scrutiny of figures is penetrating.

Progression opportunities are excellent for the ambitious. Good training and development support will be provided.

There is flexibility in the salary package for outstanding candidates.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, *S.P. Spindler*, **Hoggett Bowers plc**, *George V Place, 4 Thames Avenue*, **WINDSOR**, *SL4 1QP*, **0753-850851, Fax: 0753-853339**, *quoting Ref: W11107/FT.*

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

MANAGEMENT ACCOUNTING CONTROLLER

A key role with a world leader

Up to £30,000 p.a. + Car + Benefits — ***Crawley, West Sussex***

In under a decade Edwards High Vacuum International, part of The BOC Group PLC, has grown its business to a position of world leadership in the design, development, manufacture and marketing of vacuum technology components and systems.

The challenge of the 90's will be not only to maintain this position, but also to ensure the continued development of the business. As Management Accounting Controller, your ability to provide high quality financial information and support to management will be crucial to this aim.

You will be joining a young and highly professional finance team based at our Crawley Headquarters. Here, in addition to co-ordinating and reporting information from our three UK manufacturing sites, you will be central to improving the breadth of accounting input to non-manufacturing areas of the business, such as sales, service and R&D, in order to provide accurate costings and product profitability information. You will play a key role in the introduction of new, and development of existing, accounting techniques and computerised systems.

The scope for a highly competent qualified accountant either ACA, ACCA or CIMA, is enormous, in a role where success will depend on your ability to communicate effectively with people at all levels. Previous cost and/or management accounting experience in a multi-product manufacturing environment is desirable. Probably aged in your early 30's, you are looking for greater responsibility and a broader role in an organisation that demands a highly *pro-active management accounting function.*

In addition to the excellent remuneration package which includes generous relocation assistance where applicable, opportunities for career progression exist both within Edwards and The BOC Group.

In the first instance please send or fax a comprehensive CV to **Don Phillips, Personnel Manager UK, Edwards High Vacuum International, Manor Royal, Crawley, West Sussex, RH10 2LW. Fax (0293) 33453/565044** or Telephone **Lesley Norton** on **(0293) 28844.**

EDWARDS

The stripe symbol is a trade mark of The BOC Group

Over the last 3 years this profitable privately owned company has grown from an £8m turnover per annum to a 'group' structure which will clearly continue to grow through its present £18m per annum. This will incorporate further development of the core business – recognised by its major clients as being a market leader – as well as the 'maturing' of newly established subsidiaries plus the exploitation of potential in Europe.

At this exciting and demanding period of their development a highly versatile Financial Director is sought to join the Board.

FINANCIAL DIRECTOR

to £40,000 p.a. + Car

Northamptonshire

Reporting to the Group Managing Director the objective of the role will vary with circumstances. Recent rapid growth of the core business has created the need for a re-appraisal and tightening of internal management control and reporting systems whereas the input to the young subsidiaries will be more of a business development and planning nature. Allied to this the longer term will call for involvement in overall corporate development and structuring.

Qualified in one of the three major disciplines, candidates, aged early to mid 30's, must have comprehensive and creative financial control experience gained in a manufacturing environment. The ability to contribute to the running of an organisation on a daily basis, whilst developing longer term strategy is vital. Above all however must be the personality, drive and commitment to join a team dedicated to the success and long term growth of the organisation.

Applicants should apply in writing with career details to date and current remuneration to Brian J. Smith quoting ref no: 1009/FT at: QMS Recruitment, The Crescent, King Street, Leicester LE1 6RX.

QMS Recruitment

Factory Chief Accountant

North West — c£30,000 + benefits

Our client is a blue chip FMCG company with an excellent growth record in revenues and profits. The UK leader with turnover of £[illegible]m, the company has short term ambitions to take over that position in Europe where it is currently number two.

The position is based in the North West at one of five major factories within the Group. It is a rapidly growing, attractive facility with [illegible] employees producing sales of £100m. Reporting to the Factory Director and a member of the senior team, you will manage a department of 18 and provide a full financial and cost accounting service to local and head office management, including capital expenditure evaluation, purchase ledger and payroll management, budgeting and forecasting and computer systems development.

An ACMA, probably a graduate aged around 30, you will have had several years experience in a large, standard costing environment with detailed involvement in computerised accounting and analysis. The position calls for an ambitious candidate with the personal presence to communicate effectively with all functions at all levels.

Prospects for rapid career progression are excellent.

Interested candidates should write enclosing a full CV and daytime telephone number, quoting Ref 431, to: Nigel Bates FCA, Whitehead Rice Ltd, 43 Welbeck Street, London W1M 7PG. Tel: 071-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

Finance and Administration Director

Consumer Products

To £45,000 package — **SW London**

The senior executive role with strongly positioned UK subsidiary of $A5bn Australian conglomerate. Heading finance and administration for three businesses with 200 employees and £15m turnover. Responsible for financial management and reporting, initiating organisational change and enhancement of administrative and EDP systems. Very broad remit spanning finance and general management. Exceptional scope for initiative and career progression.

THE ROLE

■ High level of autonomy, reporting to European Controller. Responsible for developing a small team to manage financial reporting, organisational planning, pension, tax and personnel administration for three businesses.

■ Initiate restructuring following acquisitions, implementing new MIS and EDP systems.

■ Input to development of fiscal and administrative policy internationally.

QUALIFICATIONS

■ ACA/FCA ideally with 10 years post-qualification experience in industry. MBA or exposure to broad business issues valuable.

■ Currently a senior financial manager within an operating subsidiary of an international group. Experience of sales led environments and the management of change beneficial. Systems skills important.

■ An innovator with a talent for influencing people. Both authoritative and sensitive. Must relish autonomy and taking a practical lead.

Please reply in writing, confidentiality assured, enclosing full details to: Ref: F4176OL, 3rd Floor, Brook House, 113 Park Lane, London W1Y 4HJ.

London 071-493 1238

The Selection Division of Spencer Stuart & Associates Ltd

Manchester 061-941 3818

ACCOUNTANTS
with a flair for systems
Bristol

Having been granted one of the new Personal Communications Network licences, MICROTEL, a consortium involving British Aerospace, Pacific Telesis, Millicom and Matra Communications, is now established on the outskirts of Bristol. This radical new advance in mobile telecommunications is backed by a £1.2 billion investment programme which is expected to generate business worth c.£1,000 million by the year 2000 with the service available to the public from 1992.

There are two excellent opportunities for qualified accountants with a good knowledge of computer based systems to join our finance team. Both will report direct to the Finance Director and in conjunction with our in-house IT specialists will be tasked with system specification, selection, implementation and operation.

NETWORK REVENUE MANAGER
To £35,000 + bonus and car

The task is to produce a sophisticated flexible billing system capable of accurately billing upwards of 3 million subscribers. Previous experience of the specification and introduction of a similar system would be a distinct advantage.

FIXED ASSET MANAGER
To £30,000 + bonus and car

The task is to produce a comprehensive asset management system to manage assets including 20,000 plus transmitters and associated equipment. Previous experience of large scale fixed asset management within the context of a major investment programme would be a distinct advantage.

Not to be overlooked, is the added advantage of working only minutes away from some of the most attractive countryside in Britain.

If you are excited by the challenge afforded by either of these positions and consider that your experience is directly relevant, please send a copy of your CV to **Malcolm Green**, Human Resources Adviser, at: Microtel, Aztec Centre, Aztec West Business Park, Almondsbury, Bristol BS12 4TD. **Tel: (0454) 614053. Fax: (0454) 614565.**

THE PERSONAL COMMUNICATIONS NETWORK

MICROTEL

International Controller
N. West c£35,000 + car

Reebok is the premier supplier and driving force in the world sports footwear market, creating excitement with innovative technology and design flair. Annual sales are near $2 billion and rising, with continual growth and expansion. Due to promotion, the International Division in Bolton, responsible for all markets outside the Americas, now seeks an experienced International Controller.

Reebok culture is entrepreneurial and marketing-driven in an exciting and fascinating industry. The nature of the job demands a highly skilled individual capable of accepting substantial responsiblity within a short time frame and comfortable in a dynamic changing environment, with frequent international travel.

Reporting to the Director of Finance, together with the Planning and Treasury Managers, you will work very closely with all international subsidiaries worldwide. You will have close liaison with International HQ management and US Finance. Key responsibilities will include: –

- Management Reporting
- Supporting Subsidiaries
- U.S. Reporting & Consolidations
- Statutory Financial Reporting
- Business development and investment decisions.

Your experience must include U.S. and European accounting, gained in a fast moving environment. Confident in your technical ability, you will have the personal skills to influence and motivate across national boundaries to achieve outstanding results. Computer literate and commercially aware, you will enjoy working with a like-minded team of bright professionals.

This is an outstanding opportunity for a graduate ACA in his or her early 30s to join a fast track company which genuinely recognises and rewards achievement. The salary will be c£35,000, plus company car and an excellent range of benefits. If necessary, there is a generous relocation package to the North West.

To apply, please send a full c.v., giving a daytime telephone number, to our advising consultant, DAVID KONRATH, at the address below, or by Fax to 0284 830136.

DJK ASSOCIATES 1 THE GREEN HARTEST SUFFOLK IP29 4DH.

Reebok

FINANCIAL PLANNING AND ANALYSIS MANAGER

Retail **c£35,000 + Car + Benefits**

Based in modern offices in the North Eastern Home Counties, our client is recognised as a leader in the field of specialist niche market retailing.

Sustained growth, combined with major investment in a number of key business areas, will ensure that the company maintains a dominant position at the forefront of this highly competitive and fast evolving sector.

Reporting to the Finance Director and managing a high profile team, your principle responsibilities will be financial planning and business analysis, together with responsibility for capital control and branch acquisitions, and reporting to the group.

A qualified accountant aged 28-32, with proven commercial experience, you should possess a confident and enterprising style, and exceptional interpersonal skills. Opportunities for progression within the group will be limited only by personal ability.

Interested applicants should telephone Giles Daubeney on 071-437 0464, or write to him, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 071-437 0464

Challenging Opportunities For *Accountants*

There is a unique challenge for professionally-qualified accountants in both of two new posts in the Inland Revenue, and we are not talking about the assessment and collection of tax. Instead you will be developing new management accounting systems in a multi-million pound organisation and this will call for creativity, commitment and above all, practicality.

In our VALUATION OFFICE we are looking for someone to provide accounting advice and develop new accounting systems capable of handling fee income of over £100 million per year from professional valuation work. You will be in at the start, heading up a team charged with ensuring a smooth take-off. Based in Central London, the starting salary will be in the range £25,800 to £33,000 with a subsequent performance pay package taking the salary to £38,500.

In our FINANCE DIVISION we are aiming to appoint someone who can develop departmental-wide budgeting and accounting systems to meet our future needs. A Development Plan has already been prepared. You will lead a small but highly motivated team in designing and implementing these new systems. Based in pleasant surroundings in Worthing, the starting salary will be in the range £22,400 to £24,075 with a subsequent performance pay package taking the salary to £28,710.

Applicants for both posts must hold a recognised accounting qualification with several years' post-qualification experience and be familiar with computer-based systems. Prospects for advancement are good. For an informal discussion phone Paul Willingham on 071-438 6724.

For further details and an application form (*to be returned by 29 June 1990*) contact the Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (24 hour answering service). Please quote ref: G/8456.

An equal opportunity employer

FINANCIAL CONTROLLER
French Fashions

London **To £32,500 + bonus + car**

This is an exciting opportunity for a commercially minded young accountant to join the expanding UK subsidiary of a prestigious French clothing group and to help in shaping its future. With a turnover of over £5m, our client markets and distributes high quality men's and women's fashions through a well established wholesale network and a number of successful retail outlets in London and the regions. Its label is well known and there are ambitious plans for continuing growth.

Reporting to the U.K. Managing Director, the Financial Controller will head up a close-knit accounting team and will have total responsibility for budgeting, financial reporting and control. In addition to overseeing the production of timely and meaningful management reports, the role will entail upgrading the computer systems and providing active commercial support to the General Manager in the business development programme.

Candidates should be qualified accountants, probably in their late 20's/early 30's, with sound technical skills, well developed computer literacy and strong commercial acumen. They should be flexible and committed self-starters with an ability to make things happen. As the role will involve close liaison with the parent company and regular visits to France, an in-depth understanding of the French language and business culture is important.

Please reply in confidence, giving concise career, personal and salary details to Paul Carvosso, quoting Ref. L502.

Egor Executive Selection,
58 St. James's Street
London SW1A 1LD (071-629 8070)

EGOR EXECUTIVE SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Sweden

LLOYD MANAGEMENT

career stepping stones

COMPUTER & OPERATIONAL AUDIT

£30-35,000 + car + mortgage

Our client is one of the largest and most influential financial services groups. Its continuing substantial growth and business developments create exceptional opportunities for the group audit team to play a proactive role in its management and the shaping of its future.

In highly visible and creative roles, the auditors undertake incisive analysis and appraisal of financial and operational controls and risks covering all aspects of the extensive businesses. These 'hands on' project based assignments provide unrivalled experience and scope to enhance and demonstrate analytical and reporting skills in a rapidly changing environment.

These are well proven stepping stones for progression within the group and to strengthen the London based team we seek several ambitious young accountants in their 20s/early 30s with audit or systems experience and awareness of control requirements in a highly computerised environment. Salary is therefore negotiable according to age and experience.

Please write, enclosing a full career/salary history and daytime telephone number, to David Tod BSc FCA quoting reference D/930/F.

LLOYD MANAGEMENT

FINANCIAL CONTROLLER

Birmingham **£30,000 + Car + Benefits**

Our Client is a leading firm of commercial lawyers - one of the largest, independent practices outside London. Indicative of their reputation and standing in the business community, has been a doubling in size of the practice in the last five years. The firm is targeting further expansion in the 1990's, still based on their tradition of providing a top quality service of the highest standard, and to assist in the achievement of these plans, a new post of Financial Controller has been created.

Reporting to the Partnership Secretary, the new appointee will take a significant role in the future direction of the practice, with specific responsibility for ensuring tight financial controls. Other duties will include the monitoring of financial resources, control of costs, continual review of financial performance, treasury functions and management of the accounts department. It will also be necessary to contribute to the development and application of technology - ensuring systems are geared to meet the requirements of a progressive business.

Success in this role will require effective management and motivation of people, and control of a wide range of activity in order to optimise departmental performance against a background of a variety of pressures and high workload.

It is most likely that the role will suit a Chartered Accountant with first rate technical skills including proven ability in the use of computerised accounting, i.e. PC's and spreadsheets. Experience of financial control in a commercial, service-orientated or professional environment is deemed essential, as are well developed interpersonal and communication skills, tact and diplomacy.

In return, the firm offers a highly competitive salary package and an attractive range of benefits.

Please apply, in writing, will full career and salary history details, quoting reference B/275/90, to Margaret-Anne Stocker.

KPMG Peat Marwick Selection
Peat House, 2 Cornwall Street, Birmingham B3 2DL

PQE

EPSOM — to £25,000

Internal Reviewer

Your key tasks will combine an analysis programme of management accounting and reporting, year end procedures, controls and VAT accounting with statutory accounting and project work. Head Office-based, develop practice experience into broad commercial abilities and progress quickly into management. Ref: 01245A5

Contact The Manager at 23 High Street, Epsom 0372 745020
Or the PQE Specialist advising on this appointment on 071-489 9997

MIDDX. — c£25,000+car

Recently Qualified

Rare opportunity for a Recently Qualified to gain corporate treasury experience at the Head Office of a major plc. A line management position that requires the monitoring and control of all treasury related transactions, together with the provision of accurate data for monthly and annual accounts. Ref: 32215A2

Contact The Manager at 42 Station Road, Hayes, 081-569 2919
Or the PQE Specialist advising on this appointment on 071-489 9997

THAMES VALLEY — c£23,000

Product Accountant

This progressive and expanding natural food organisation offers the high profile opportunity to manage and control a product costing system that will have an effect on pricing across the industry. Plenty of career development opportunities and excellent benefits including sports club memebership. Ref: 94LJF746

Contact The Manager at 70 Clarence Street, Kingston 081-547 3505
Or the PQE Specialist advising on this appointment on 071-489 9997.

N. SURREY — £25,000

Management Accountant

Small, expanding specialist manufacturer offers 'hands on' proactive role, with the emphasis on commercial management of business. Reporting to the MD, your contribution will be in the areas of business planning, budgets, systems reviews, operations management, final accounts and costing.

Contact The Manager at 26 Commercial Way, Woking 0483 771445
Or the PQE Specialist advising on this appointment on 071-489 9997

CHELMSFORD — c£23,000+car

Development Accountant

As a key member of the management team and the crucial communicator between production and finance, you will contribute towards costing systems, pricing strategy, production performance and corporate budget and planning. The company is a medium-sized manufacturer and the department is progressive with excellent systems back-up. Ref: 57LIF409.

Contact The Manager at 148 High Street, Southend 0702 615371
Or the PQE Specialist advising on this appointment on 071-489 9997

N. SURREY — £25,000

Recently Qualified

Market leading computer multinational seeks a Management Accountant for a high-profile career opportunity. Using sophisticated spreadsheet packages, you will be responsible for the reporting and detailed anaylsis of a division, preparation of budgets and the development of new systems to control anticipated expension. Superb working environment. Ref: 40315A2

Contact The Manager at 1 Cambridge Walk, Camberley 0276 22232
Or the PQE Specialist advising on this appointment on 071-489 9997

CLIENTS!
When you entrust your vacancies to us,
we pay for the advertising.
Phone our PQE Specialists on 071-489 9997
(24 hour answering service)

REED... accountancy

WEYBRIDGE, SURREY

ARE YOU AS GOOD WITH PEOPLE AS YOU ARE WITH FIGURES?

Our client is a blue chip F.M.C.G. company which is the Market Leader in its field.

Two opportunities have arisen to play key roles in its market orientated finance team in support of its £ multi-million Sales and Marketing functions.

Management Accountant

Market Analysis — *c.£31,750 package + car*

You will advise Senior Management on brand and customer performance; develop forecasts, budgets and medium term plans of Divisional expenditures and be pro-active in effecting change. Control of support staff and systems will be required.

You will be a qualified accountant (ACCA or CIMA) with highly developed inter-personal skills capable of influencing Senior Management and will have two years post qualification experience in a computerised financial analysis environment. Above all, you will desire to work in an environment where your opinions are valued as highly as your accountancy expertise.

Accountant

Financial Analysis — *c.£27,500 package + car*

You will liaise with Brand Managers, providing them with analysis and support in respect of their actual and forecast project expenditure. To provide this support, you will control the reporting mechanisms for a £ multi-million budget and supervise the necessary financial accounting functions.

You will be a qualified accountant (ACCA or CIMA) with experience of budgeting, monthly reporting and variance analysis in a sophisticated computerised environment. Good communication skills are of paramount importance.

These are key roles in a thoroughly professional team commanding salaries as indicated and a generous range of large company benefits.

Please apply with full C.V., indicating which position you are applying for to Ref: RFL 505 at the address below. Please list separately any companies to which your C.V. should not be forwarded.

LEAKE • MILLER
A D V E R T I S I N G
44 Wellington Street, Covent Garden.
London WC2E 7DJ.

Financial Controller

Dynamic international group seek very ambitious accountant

NORTHAMPTON

c.£30,000
Plus Car
Plus Bonus
Plus Benefits
Plus Relocation

This worldwide service group has revenues in excess of £5 billion and interests in over 40 countries. Growing organically and by acquisition, they now need to appoint a Financial Controller for the UK operations. Reporting to the Finance and Administration Director - UK, you will be responsible for fiscal and management accounts as well as all aspects of reporting to Head Office. Of prime importance will be the detailed analysis of operations - producing timely and accurate information for local management and regional headquarters. Managing a staff of 20, you will also be involved in the formulation of future strategy.

Aged 25 to 35 years, you must be:

- a qualified accountant with high professional standards, initiative and drive
- practical with a "hands on" approach and proven supervisory ability
- able to work closely with management, both at head office and in "the field"

European language ability would be advantageous. For the achievers, promotional opportunities are outstanding within the UK or overseas.

Interested candidates should write in confidence to Nicholson International (Recruitment Consultants), 142 Buckingham Palace Road, London SW1W 9TR quoting reference 9121 or fax details on 071 823 6835 or call directly on 071 730 8910 for an initial discussion.

NICHOLSON INTERNATIONAL

FINANCIAL CONTROLLER

West Midlands — c£35,000+car+benefits

Lightstream is the operating company developing integrated Cable TV and Telephony networks for Telford, Mid Downs and the Black Country - Europe's largest cable franchise and telecommunications network which is a £180m capital investment project.

Operating at the forefront of fibre optic technology, Lightstream's cable networks will service over 600,000 homes and businesses providing a wide choice of entertainment, telecommunications and interactive services to the domestic and business consumer including:-

- Up to 60 channels of high quality TV and radio
- Home shopping, banking, security and local information
- Business services - confidential data transmission, video conferencing, economic telephony, outworker networking, etc.
- Education - distance learning, internal and external training programmes

Reporting to the Chief Executive, and a member of the senior management team, you will be responsible for controlling the financial activities of the organisation and developing financial information systems.

Probably aged 35+ years, you should be a qualified accountant with experience of large capital intensive projects and sophisticated, multi-disciplinary computer systems. This is a very demanding commercial role, offering an excellent opportunity to join a major company in a new, high growth industry.

Please send full career and personal details quoting reference number 31135 to Gail Markham, at the address below or telephone 021-622 3838 for an application form.

BHO
BERNARD HODES-OVERTON
Executive Search·Management Selection
Bernard Hodes Overton Limited, Monaco House, Bristol Street, Birmingham B5 7AS. Tel: 021-622 3838 Fax: 021-622 6971

DEVELOPMENT ACCOUNTANT

Middlesex — £Excellent

Our client, the UK subsidiary of a multi-national group market a wide range of products used within the industrial, electrical and automotive sectors.

An opportunity has arisen for a recently qualified Chartered Accountant who is looking to move into the commercial and industrial field, to join them at their Denham head office as a Development Accountant. Reporting to the Chief Accountant your prime responsibility will be in implementing a modern set of financial packages to meet the needs of their complex Distribution Company. In addition you will assist in the integration of the Distribution Company's accounts with those of a new factory, the preparation of statutory accounts and tax computations as well as involvement in the establishment of financial controls for business operating systems.

Candidates should possess a degree together with a professional accounting qualification and have a particular interest in the development of new control systems. A working knowledge of German would be an advantage.

An excellent salary is offered, together with Company car, and the benefits associated with a major organisation.

If you have the drive and initiative, together with the ability to make a solid contribution, please send a CV to Samantha Ward, quoting reference FT/266.

Withers Diamond & Wood Brigdale Ltd.
Recruitment Advertising
36-38 Mortimer Street, London W1N 7RB. Telephone 071-255 3063. Facsimile 071-255 3125.

SENIOR QUALIFIED FINANCIAL ACCOUNTANT REQUIRED TO JOIN MANAGEMENT TEAM OF EXCITING NEW VENTURE IN FLEXIBLE PACKAGING - C.£20K.

Write Box A840, Financial Times, One Southwark Bridge, London SE1 9HL.

High Profile Role in Expanding International Plc

PROJECT ACCOUNTANT

N.W. London
c.£25,000
+ Car

A leading player in the design and marketing of high quality branded products, this UK company has experienced strong and profitable growth both in the UK and internationally. Current turnover is now in excess of £100m and is continuing its rapid development, particularly overseas.

Essential to the Group's future plans is the new position of Project Accountant, who will play an integral part in the improvement of financial controls and the enhancing of operational management's understanding and use of financial information for commercial decision making.

Reporting to the Group Financial Controller, the role will encompass a wide range of responsibilities, primarily project based, including for example:

- in-depth analysis of operating company results
- specific projects in support of marketing subsidiaries, involving some limited overseas travel
- ad hoc group financial management projects
- assisting in the development of systems and controls.

As a qualified accountant or exceptional finalist, ideally aged 24-28, you should possess a broad financial background. In addition, a confident, self-motivated approach is required, allied to excellent interpersonal and communication skills.

Interested individuals should contact Hugh Greenwood on 071-491 3431 or write to him at FMS, 14 Cork Street, London W1X 1PF, enclosing a recent CV and note of current salary.

FMS
FINANCIAL MANAGEMENT SEARCH AND SELECTION SPECIALISTS

BETTERWARE CONSUMER PRODUCTS PLC

FINANCIAL DIRECTOR

c.£50,000 + Bonus. Watford.

A rare opportunity for a first class finance professional to achieve a major career success with a fast-growing public company.

THE COMPANY
- Fast growing highly profitable group of businesses with a turnover exceeding £25 million. Planning to continue and accelerate growth through organic growth & acquisition.
- Requires excellent financial direction to maximise the future business performance and profitability.

THE POSITION
- Responsible to Group Managing Director for financial management strategy
- Design and implement effective financial systems, budgeting, planning and reporting
- Full participation in overall business strategy.
- High visibility opportunity for career success and advancement.

QUALIFICATIONS
- Chartered Accountant, aged 35-44 with a successful track record of financial management.
- Strong computer-based systems and controllership experience.
- Good personal presence, leadership qualities and effective communication skills.
- Ability to demonstrate commercial acumen and the credibility to gain the support of colleagues in implementing change.
- Public Company experience.
- Experience dealing with the City.
- Acquisition experience.

THE REWARDS
- Attractive salary with substantial fringe benefits including Share Options.

BCP

Please write, enclosing full c.v. - Mr. Andrew L. Cohen, Group Managing Director, Betterware Consumer Products plc, Permanent House, 17 Exchange Road, Watford WD1 7EB.

FINANCE MANAGER

£40,000 Neg + Car + Bens
S.W. London

Our client, a successful International Finance Company have created the opportunity for a mature finance accountant, with strong management experience, to become involved in the control of their accounts department. Project and cashflow management and an interest in I.T. form an integral part of the role.

Call Jacqui Hardcastle in complete confidence on 071-255 1555

Meridian Accountancy Consultants

ARE YOU BEING TAKEN FOR GRANTED?

FINANCIAL CONTROLLER - Kingston/South West London area - International information/ management consultancy - c£29,000 +car+ excellent benefits Ref P2777. Unique career opportunity, due to major worldwide expansion, for a highly ambitious and self confident individual ideally aged 25-30. You must be a university graduate with either ACA, ACMA or ACCA. Our Client is a market leader *that continues to grow and thus seeks a high calibre individual capable of* creative and innovative thought. Controlling a small Team your key role will be to develop the Group's UK and international accountancy procedures/efficiency/structure as well as having a vital input into future strategic decision making. It is stressed that our Client seeks a young, dynamic individual that seeks a truly outstanding challenge that will offer most lucrative future career and remuneration prospects.

Please contact: Andrew Dryzzko, PTC Ltd., Robin Hill, Coombe Hill Road, Kingston, Surrey KT2 7DU. TEL: 081 949 2998 FAX: 081 949 3176.
Recruitment Specialists.

For your FREE copy of THE ROBERT HALF ACCOUNTANCY SALARY SURVEY 1990, telephone ROBERT HALF on 071-836 3545.

£29,000 + Car

C. London

COMMERCIAL CONTROLLER

Our Client is a major retailer, itself part of a diverse and progressive plc. Commitment to a strategic marketing policy and continued expansion has resulted in a need for a qualified Accountant to strengthen their central London head office.

Working within a small team of Commercial Managers, you will give financial support and advice, including planning, forecasting and variance analysis for a range of products.

A high profile role, you will liaise extensively with senior management. A good communicator with business acumen and aged 27-32, you should be qualified with at least 2 years' PQE within a highly commercial environment.

Please apply directly to Penny Ridgett at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London, WC2R OBR. Telephone: 071-836 3545, or evenings on 081-853 4009. Alternatively, fax your details on 071-836 4942.

Financial Recruitment Specialists
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RH ROBERT HALF LONDON

CHIEF ACCOUNTANT

A substantial private property group expanding into the food retail wholesale and restaurant business requires experienced qualified Accountant with strong commercial background to assume responsibility for all accounting functions within the group.

The applicant will head a small accounting team and be required to review and develop the existing systems to provide full financial support to the Board. He/she will be able to demonstrate a good "hands-on" approach and have experience of p.c. financial packages in order to maximise the potential which this new post offers.

Salary and benefits negotiable according to experience. Please write - in confidence - with full career history and current salary to The Company Secretary, Rich Investments Limited, 31, Davies Street, London W1Y 2BH

SPECIAL PROJECTS/ INVESTIGATIONS

LONDON

To £35,000 + CAR + BENS

Chrysalis

Since its inception in the 1960's, Chrysalis Group plc. has consistently remained at the cutting edge of developments in dynamic markets. Originally a record company, it has expanded through acquisition and organic growth to become a fully quoted diversified music and leisure group boasting a turnover of £100m, net assets of £53m and operations worldwide.

Recent strategic decisions have been initiated which will transform Chrysalis into one of the leading media and communications groups of the 1990's.

This key appointment based at Head Office will report directly to the Group Finance Director. The successful candidate will be primarily responsible for internal system and management audits and value for money investigations throughout the international group. Through significant liaison with divisional executives they will be expected to gain a thorough overview of the Groups activities recommending and implementing changes. The high profile role will attract special ad hoc assignments from the Board including assisting in strategic corporate acquisitions and disposals.

The candidate profile is clear. A graduate Chartered Accountant aged to 33 having qualified with an international practice and gained a minimum of two years relevant post qualification experience outside the profession, displaying consistent achievement. Senior level inter-personal skills and the personality to thrive in a media environment are essential.

*To discuss this position in greater detail, contact **Vanessa Coleman** or **Jon Vonk** on **071-629 4463** (evenings and weekends **0494 727284**) or alternatively submit your CV to the address below.*

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS
Cardinal House, 39-40 Albermarle St., London W1X 3FD. Tel: 071-629 4463

EASTERN COUNTIES c.£35,000 + BONUS

Financial Director

This position is with the high profile £25 million turnover UK subsidiary of a major multinational group. Its branded products are world leaders in one of the most dynamic, high growth sport and leisure sectors.

As well as developing the financial function, you will play a key role in assisting other senior managers achieve their objectives. You will work closely with the Managing Director in developing on-going strategic development plans which allow the company to meet corporate objectives for medium and long term growth of the business throughout Europe.

A qualified accountant, you will probably be aged in your mid 30's. You should already have held a senior position in a fast moving marketing led business and you must be as comfortable with strategic issues as sorting out costing problems on the shop floor. Any exposure to US accounting principles and pan-European business will be advantageous for the position which could quickly lead to a full board appointment.

Please send full personal and career details, including current remuneration level and day-time telephone number, to David Owens, Coopers & Lybrand Deloitte Executive Resourcing Ltd, Cumberland House, 35 Park Row, Nottingham NG1 6GR, quoting reference D344.

Coopers & Lybrand Deloitte Executive Resourcing

E & P ACCOUNTANT

- Career Opportunity
- Expanding Company
- Broad brief
- High level responsibility

This is an attractive opportunity in Neste Exploration for an accountant experienced in the oil industry. The job has hands-on responsibilities for Neste's recent Ninian acquisition and in addition a supporting role on Neste's other exploration and production activities. The company is expanding internationally with exploration and production activities in Syria, Turkey, Portugal, Algeria and the North Sea. You would be involved with exploration accounting and some systems development. The job is based in central London.

You will be an experienced accountant, probably qualified, but certainly with some years' experience in an operational oil company. You will be familiar with upstream oil industry joint venture accounting. The successful candidate will be eligible for opportunities which may arise elsewhere in the Neste Group.

Neste also have an opportunity for a rounded Financial Accountant, who may not have worked in the oil industry before.

Neste Exploration is the UK subsidiary of Neste Oy, the Finnish state energy enterprise. The company is vigorously expanding its oil activities in both the UK and internationally.

Neste's salary and benefits package is comprehensive and attractive.

To apply, please write with full CV to: **Peter Bathmaker, SMCL Oil & Gas, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP. Tel: 071-222 7733. Fax: 071-222 3445.**

NESTE

SMCL OIL & GAS RECRUITMENT

European Financial Controller

Expanding US Footwear & Clothing Group

Feltham, Middlesex

£40-45,000 + Car + Benefits

The Timberland Company is a high successful quoted US group, manufacturing and marketing worldwide an exclusive range of quality footwear, clothing and accessories for the expanding outdoor and leisure market.

With marketing and distribution subsidiaries now firmly established throughout Europe, a new management team is now being assembled to spearhead their future growth and development in key European markets.

Working alongside the European MD, you will be responsible for the overall financial direction of these European operations. As well as ensuring the efficient operation of the subsidiary finance functions, you will provide meaningful and accurate Divisional information to US and European management. However, central to your success in this demanding role will be your input to key decisions effecting every aspect of business policy and operation, allowing you to make a major contribution to the Division's profitable and controlled expansion.

The ideal candidate will be an ambitious qualified accountant, aged 28-35, with energy and flair, a decidedly European outlook, and an above-average level fluency in at least one European language, preferable German or French. Your experience is likely to include exposure to distribution or retailing in a progressive and fast-moving, marketing-lead organisation.

For further information, and to discuss this appointment in confidence, call **Neil Wax**, Consultant to the Company, on **071-387 5400** (evenings 0923 819298), or write with full CV and salary details, quoting ref: 10223 to **Financial Selection Services,** Drayton House, Gordon Street, London WC1H 0AN. (Fax: 071-388 0857)

financial SELECTION SERVICES
Executive Selection Division

Timberland

WEST YORKSHIRE to £35,000 + BONUS + CAR

Finance Director

For a highly successful, rapidly expanding private company engaged in both manufacturing and distribution within the process sector. The Company's record of growth in terms of turnover and profitability has been exceptional.

They now seek to recruit a Finance Director who, reporting to the Managing Director, will be responsible for the total finance and data processing functions, with particular emphasis on the further development of management information systems. In addition, you will be expected to input significantly to all strategic business planning issues.

You will be a qualified accountant, in the age range 28–45, currently employed in a "hands-on" financial controller/director role. You will have a strong outgoing personality and be able to show commitment, enthusiasm and a high degree of self motivation.

Please send full personal and career details, including current remuneration level and daytime telephone number, in strict confidence to Angela McDermottroe, Coopers & Lybrand Deloitte Executive Resourcing Ltd., Albion Court, 5 Albion Place, Leeds, LS1 6JP, quoting reference 223AM.

Coopers & Lybrand Deloitte Executive Resourcing

FINANCIAL CONTROLLER LONDON TO £33,000 + CAR + BENEFITS

Our client, a leading international record and home video corporation can boast an impressive portfolio of artistes and releases. Since its inauguration some 20 years ago, the company has become a recognised name within the record industry. Today, following a strategic re-assessment of its core business, the organisation have succesfsully identified a number of new yet closely affiliated markets. In support of its continued development and commitment to the UK and Europe, the company are now seeking to appoint a Financial Controller at their London offices.

Reporting to the UK General Manager, the successful applicant will assume overall responsibility for the UK and Irish finance and accounting functions. With a very definite emphasis placed on the quality of information available to the parent company, your initial responsibilities will be to restructure the financial department to produce accurate and timely management reports.

The postition is ideally suited to candidates who have proven exposure to the record/home video industry, with a specific understanding of royalty accounting procedures. Computer literacy and the willingness to travel overseas are of equal importance.

The successful candidate will be a qualified accountant, preferably chartered, aged late 20's/early 30's who is seeking to develop his/her career within an organisation that actively encourages personal development.

In the first instance, please contact Viv Blake or Mark Stewart at Caswell Abbott Executiive Search and Selection. Tel: (071) 834 5744 or alternatively forward your career resume to 201 Victoria Street, London, SW1E 5NE.

Caswell Abbott
Executive Search & Selection

Finance Director

Potential to £35,000 + Car

North West

Part of an established, respected and acquisitive group, this £20m company is involved in the import and distribution of consumer goods to major retailers, specialist wholesalers and garden centres.

Part of a three member Board, totally responsible for the financial well being of the company in 4 UK operations and one Far East; you will implement strong cash management and reporting systems, be 'keeper of the purse' while also financial and management advisor to your colleagues.

As the best performer in the Group, we require a qualified accountant probably aged under 40 with a proven track record of succession in a senior financial management role of influence. Recent foreign exchange experience would be a distinct advantage. Pro-active, with strong leadership and communication skills you will develop your 17 staff, building for succession and company growth.

Salary is c£27,000 plus bonus with a first year guaranteed minimum. Expensed company car and other benefits are provided.

Write with career details to date and salary, quoting reference 21054 to Nicholas C Jenkins, LINK Management Selection, 8 Regent Street, Nottingham NG1 5BQ. or fax same to 0602 472342. For an application form telephone 0602 412500.

Interviews will be held in various UK locations.

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